



海天地悦旅集團有限公司 S.A.I. LEISURE GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1832

ANNUAL REPORT 2025





CONTENTS

Corporate Information	2
Financial Calendar and Investor Relation Information	4
Key Financial Highlights	5
Chairman’s Statement	6
Management Discussion and Analysis	8
Management Executives	20
Report of Directors	24
Principal Risks and Uncertainties	37
Environmental, Social and Governance Report	39
Corporate Governance Report	103
Independent Auditor’s Report	121
Consolidated Statement of Profit or Loss and Other Comprehensive Income	126
Consolidated Statement of Financial Position	127
Consolidated Statement of Changes in Equity	129
Consolidated Statement of Cash Flows	130
Notes to the Consolidated Financial Statements	132
Five Year Financial Summary	192

In case of any inconsistency between the English version and the Chinese version of this annual report, the English version shall prevail.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. TAN Henry, SBS, BBS, JP (Vice Chairman and CEO)

Mr. CHIU George

Mrs. SU TAN Jennifer Sze Tink

Ms. CHEUNG Pik Shan Bonnie
(Appointed on April 9, 2025)

Non-Executive Directors

Dr. TAN Siu Lin, GBS, SBS (Chairman)

Mr. TAN Willie

Mr. SCHWEIZER Jeffrey William (Retired on April 8, 2025)

Independent Non-Executive Directors

Mr. CHAN Leung Choi Albert

Mr. MA Andrew Chiu Cheung

Mr. WONG Chun Tat, JP

AUDIT COMMITTEE

Mr. MA Andrew Chiu Cheung (Chairman)

Mr. CHAN Leung Choi Albert

Mr. WONG Chun Tat, JP

REMUNERATION COMMITTEE

Mr. CHAN Leung Choi Albert (Chairman)

Mr. WONG Chun Tat, JP

Dr. TAN Henry, SBS, BBS, JP

NOMINATION COMMITTEE

Mr. WONG Chun Tat, JP (Chairman)

Mr. CHAN Leung Choi Albert

Dr. TAN Henry, SBS, BBS, JP (Retired on August 29, 2025)

Ms. CHEUNG Pik Shan Bonnie

(Appointed on August 29, 2025)

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Dr. TAN Siu Lin, GBS, SBS

COMPANY SECRETARY

Ms. CHEUNG Pik Shan Bonnie

AUTHORIZED REPRESENTATIVES

(for the purpose of the Listing Rules)

Dr. TAN Henry, SBS, BBS, JP

Ms. CHEUNG Pik Shan Bonnie

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong laws

Deacons

5th Floor

Alexandra House

18 Chater Road

Central, Hong Kong

As to CNMI and Guam laws

Blair Sterling Johnson & Martinez, P.C.

238 Archbishop Flores Street

Suite 1008

Hagåtña Guam

96910-5205

AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor under the

Accounting and Financial Reporting Council Ordinance

27th Floor, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

CORPORATE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

5/F, Nanyang Plaza

57 Hung To Road

Kwun Tong, Kowloon

Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Hawaii, Hagatna Branch
Bank of Hawaii, Gualo Rai Branch
First Hawaiian Bank, Gualo Rai Branch
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Financial Calendar and Investor Relation Information

Announcement of 2025 Final Results	March 30, 2026	
Announcement of 2025 Interim Results	August 29, 2025	
Dividends	2025 Final 2025 Interim	Nil Nil
Closure of Register of Members for ascertaining shareholders' entitlement to attend and vote at the annual general meeting	Period from May 22 to May 28, 2026	
Date of Annual General Meeting in 2026	May 28, 2026	
Authorized Shares	500,000,000 shares	
Issued Shares	360,000,000 shares (as at December 31, 2025)	
Website address	www.saileisuregroup.com	
Stock Code	1832	
Board Lot	1,000 shares	
Financial Year End	December 31	

Key Financial Highlights

	2025	2024
	US\$'000	US\$'000
Revenue	45,114	42,795
Operating loss	(12,954)	(14,454)
Loss attributable to owners of the Company	(16,579)	(18,955)
As a percentage of revenue	-36.7%	-44.3%
Basic loss per share (US cents)	(4.6)	(5.3)
Dividend per share		
– Final (US cent)	–	–
– Interim (US cent)	–	–
Equity		
Attributable to owners of the Company	17,872	34,451

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to present the annual report of S.A.I. Leisure Group Company Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the financial year ended December 31, 2025 (the “**Year**”).

OVERVIEW

2025 was a year filled with challenges and uncertainties due to the high tariffs imposed by the United States of America (the “**U.S.**”). With all the evolving trade tensions and policies changes, economic uncertainties and vulnerabilities were intensified.

Riding on the continuous efforts of the Guam Visitors Bureau (the “**GVB**”), Guam’s tourist arrivals rebounded strongly in late 2025, turning the total number of tourist arrivals for the first half of 2025 from a decrease to an overall increase of 5.9% in total tourist arrivals for the full year. South Korea and Japan remained the two key tourist origin markets of Guam, and both tourist origin markets had a notable increase in the total number of tourist arrivals as compared to last year. On the other hand, the total number of tourist arrivals in the Northern Mariana Islands (the “**NMI**”) region had a noticeable drop due to the reduction and/or suspension of daily flights from Seoul to Saipan as a result of the large-scale suspension of hundreds of routes by the airlines due to declined profitability as well as an abrupt suspension of the processing of the Chinese tourists’ entry visa, which halted the recovery of tourist arrivals from Mainland China. Having said that, the Marianas Visitors Authority (the “**MVA**”) continues its efforts in marketing the NMI region as a preferred destination in its key tourist origin markets, namely South Korea, Mainland China as well as Japan.

BUSINESS DEVELOPMENT

Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan, our two InterContinental Hotels Group (“**IHG**”) branded hotels, continued to be the main revenue stream of the Group. During the Year, the management of the Group and IHG Hotel Limited (the “**Hotel Manager**”) continued to expand the hotels’ respective share of the recovering tourism markets in Guam and Saipan, pushing up the hotels’ average room rates and improving the operational efficiency of both Crowne Plaza resorts, as well as reinforcing the effective cost-saving measures to improve the segmental margin. On the other hand, Kanoa Resort was permanently closed upon the expiry of its land lease on June 15, 2025 and the property was returned to the Department of Public Lands on the expiry date.

The Group’s luxury travel retail boutiques in Guam had completed their renovations and settled in stronger retail spaces with a view to improving their segmental profitability. All boutiques in Hawaii continue to operate under normal business hours whilst the boutiques in Saipan were permanently closed upon the expiry of the franchise agreements on December 31, 2025.

For our destination services, the Group has entered into the Managaha Island Master Concession Agreement with the CNMI Department of Public Lands on December 23, 2025, under which the Group was granted the right to operate businesses relating to transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs.

GOING FORWARD

Riding on the continuous efforts and strategies of the GVB to promote Guam to the travelers of our key tourist origin markets, we are cautiously optimistic that the recovery of the Guam tourism market will continue at pace.

For Saipan, the operations of different businesses under the Managaha Island Master Concession Agreement have started on February 15, 2026. The management of the Group is cautiously optimistic that such operations could create positive synergy by enhancing the overall guest experience in Saipan, which will be beneficial to the long-term growth of the Group.

Looking forward, the management of the Company continues to adjust the Group's business plan and strategies to seize the best market opportunities to achieve long-term and sustainable business growth. With our strong collaboration with the IHG brand and the support from local governments, we continue to endeavor to promote the image, recognition and market reputation of "S.A.I. Leisure Group" brand so as to strengthen our leading position in the market.

Last but not least, I would like to extend my sincere gratitude to our management and staff for their commitment and hard work in the past year. I would also like to thank our shareholders and customers for their loyalty and confidence in the Group.

S.A.I. Leisure Group Company Limited
Dr. TAN Siu Lin, *GBS, SBS*
Chairman

Hong Kong, March 30, 2026





MANAGEMENT DISCUSSION AND ANALYSIS



Management Discussion and Analysis

BUSINESS OVERVIEW

The recovery of the global economy has slowed down since the start of 2025 due to high tariffs imposed by the U.S., trade tensions and policy uncertainty. Stepping into the second half of 2025, with the global economy gradually stabilized and the political tensions began to reconcile, the recovery of the tourism market in Guam showed a strong resurgence in late 2025 and early 2026, whilst in the Northern Mariana Islands (the “NMI”) region, the recovery of the tourism market was stalled, and visitor arrivals remained low.

For 2025, Guam recorded approximately 783,000 visitor arrivals, which is an increase of 5.9% when compared to last year and represents approximately 47.0% of the number of visitor arrivals during 2019 (pre-pandemic). South Korea remained the leading tourist origin market of Guam (48.7% of total visitor arrivals for 2025) and the tourist arrivals from South Korea in Guam increased by 1.7% when compared to last year. Visitor arrivals from Japan, another key tourist origin market of Guam, increased by 21.5% when compared to last year, despite it represented 37.0% of the number of visitor arrivals in 2019 (pre-pandemic).

Following the tragic plane crash in South Korea in December 2024, the government of South Korea increased governmental oversight and imposed strict maintenance requirements on all Korean low-cost carriers and airlines. Since May 2025, various Korean low-cost carriers have reduced and/or suspended the number of daily flights from Seoul to Guam as part of the large-scale suspension of hundreds of routes by the airlines due to declined profitability. Having said that, stepping into the second half of 2025, the Guam Visitors Bureau (the “GVB”) continued taking action in accordance with their Short-term Tactical Plan to address the decline in tourist arrivals and achieve sustainable recovery in the tourism market. The Guam’s legislature had approved various incentives totaling US\$10.0 million to support the rebound of tourist arrivals to Guam by expanding its air services from both South Korea and Japan. In particular, the Korean airlines were upgraded to larger aircraft in response to the incentives, increasing seat capacity and improving in-flight digital infrastructure, which enhanced the travel experience and stabilized the service after years of volatility. On the other hand, riding on the incentives, the GVB has launched different marketing support to address visitor concerns about rising travel costs. For example, GVB has expanded its “GoGo! Guam” value campaign, offering added perks through participating hotels and businesses, all of which could relieve the diminished spending power of travelers due to the continuously strong U.S. dollar against both the Korean won and Japanese yen.



Management Discussion and Analysis



On the other hand, Saipan recorded approximately 148,000 visitor arrivals, which is a decrease of 35.4% when compared to last year and represented approximately 34.8% of the number of visitor arrivals when compared to 2019 (pre-pandemic). Despite South Korea remained the leading tourist origin market of the NMI region (66.0% of total visitor arrivals for 2025), the tourist arrivals from South Korea in the NMI region declined by 41.5%, when compared to last year. Same as Guam, various Korean low-cost carriers have reduced and/or suspended the number of daily flights from Seoul to Saipan since May 2025 as part of the large-scale suspension of hundreds of routes by the airlines due to declined profitability, resulting in a notable reduction in the tourist arrivals in Saipan. Furthermore, Saipan recorded a decrease in visitor arrivals from Japan of 13.6% when compared to last year, representing 69.6% of the number of visitor arrivals from Japan in 2019 (pre-pandemic).

Mainland China is another key tourist origin market for Saipan. However, with an abrupt suspension in the processing of travelers' applications under the CNMI Economic Vitality & Security Travel Authorization Program (the "**CNMI EVS-TAP**") by the U.S. Customs and Border Protection in April 2025, the recovery of the visitor arrivals from Mainland China to the NMI region was halted and it heavily impacted the tourism-related businesses in the NMI region. Due to this, the direct flight from Hong Kong to Saipan was suspended from late April 2025 until late September 2025, resulting in a 38.1% decrease in annual visitor arrivals from Mainland China when compared to last year.

In July 2025, the CNMI Department of Public Lands issued a "Notice of Intent to Award" in relation to the granting of a Master Concession Agreement for Managaha Island to the Group and the Managaha Island Master Concession Agreement was signed on December 23, 2025. Managaha Island is an iconic, small and uninhabited island off the west coast of Saipan. It sits in Saipan's lagoon and is known for its beautiful beaches, clear water and various water activities. Managaha Island is a popular day-trip destination for tourists and is about ten-minute boat ride from our Crowne Plaza Resort Saipan. By entering into the Master Concession Agreement, the Group was granted the right to operate businesses relating to transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs, which could enhance the overall experience of our hotel guests, gain competitive advantages over our competitors and expand the Group's excursion tours business in Saipan under the Destination Services Segment.

Management Discussion and Analysis

Throughout the Year, Crowne Plaza Resort Guam, Crowne Plaza Resort Saipan and Century Hotel continued to be open for business. On March 27, 2025, after careful consideration as regards the pace of recovery of the leisure tourism market of Saipan and the substantial amount of capital expenditure required for the renovation and rebranding of Kanoa Resort, the Group has decided not to renew the land lease of Kanoa Resort upon its expiry on June 15, 2025. Accordingly, Kanoa Resort was permanently closed and the property was returned to the Department of Public Lands on the lease expiry date. All luxury travel retail boutiques in Guam, Saipan and Hawaii as well as some of the Group's excursion tours in Saipan continued to be open for business throughout the Year.

REVENUE AND OPERATING LOSS

For the Year, the Group recorded a revenue of approximately US\$45,114,000, representing an increase of US\$2,319,000 or 5.4% from approximately US\$42,795,000 in the preceding year. The total revenue from our Guam businesses increased by 14.1% when compared to the preceding year, which was offset by a decrease of 5.5% in the total revenue from our Saipan businesses when compared to the preceding year.

During the Year, the increase in revenue from our Guam businesses was mainly due to the increase in occupancy rates and average room rates of Crowne Plaza Resort Guam as compared to the preceding year. Besides, riding on the effort of the GVB in boosting the number of tourist arrivals in Guam, the revenue from the luxury travel retail business increased by 11.4%. On the contrary, despite the average room rate of Crowne Plaza Resort Saipan increased by 1.6% due to the dedicated efforts of the Hotel Manager, the abrupt halt in the processing of the CNMI EVS-TAP of tourists from Mainland China and the reduction of flights from Seoul to Saipan substantially impacted the number of tourists arrivals. Hence, the occupancy rate of our Crowne Plaza Resort Saipan, as well as the business of our luxury travel retail boutiques and our destination services in Saipan were negatively impacted during the Year.

For the Year, the operating loss of the Group was approximately US\$12,954,000, representing a decrease in loss of US\$1,500,000 or 10.4% when compared with the operating loss of approximately US\$14,454,000 last year. With the continuous efforts of the management of the Group in improving operation efficiency as well as enforcing effective cost-saving measures, the increase in revenue from our Guam businesses demonstrated the effectiveness of the Group's costs control measures. It should also be noted that the said amount of operating loss during the Year has taken into account, amongst others, the recognition of depreciation and amortization expenses (non-cash items) relating to the Group's assets of approximately US\$10,517,000.

Performance of the Group's business is covered in more detail under the "Segmental Review" section below.

SEGMENTAL REVIEW

The Hotels & Resorts Segment, Luxury Travel Retail Segment and Destination Services Segment respectively accounted for approximately 80.8%, 16.8% and 2.4% of the Group's total revenue for the Year.

Hotels & Resorts Segment

During the Year, revenue generated from the Hotels & Resorts Segment was approximately US\$36,470,000, representing an increase of US\$2,012,000 or 5.8% when compared to the preceding year of approximately US\$34,458,000. As mentioned above, Crowne Plaza Resort Guam increased its revenue by 14.5% due to the increase in both the occupancy rate and the average room rates. Unfortunately, such increase was offset by a decrease of 5.3% in the revenue of Crowne Plaza Resort Saipan due to an abrupt suspension in the processing of travelers' application under the CNMI EVS-TAP by the U.S. Customs and Border Protection as well as the reduction in the number of flights from Seoul to Saipan, which resulted in a decline in occupancy rate and limited the growth in the average room rates of Crowne Plaza Resort Saipan despite the Hotel Manager's dedicated efforts in raising the average room rates. Throughout the Year, no revenue was generated by Kanoa Resort as it remained closed until the expiry of the land lease.

Management Discussion and Analysis

For the Year, the Hotels & Resorts Segment has a negative segmental margin of approximately US\$9,886,000, representing a decrease of 17.2% in loss when compared to the preceding year. The management of the Group continued to reinforce effective cost-saving measures and strived to improve the operation efficiency of both Crowne Plaza resorts to improve the segmental margin. The said amount of negative segmental margin has taken into account, amongst others, the recognition of depreciation and amortization expenses (non-cash items) relating to the Group's assets of approximately US\$9,942,000.

Crowne Plaza Resort Guam

Crowne Plaza Resort Guam was honored to be recognized with the Tripadvisor Travelers' Choice Award 2025, placing us among the top 10% of hotels worldwide. For the Year, revenue from Crowne Plaza Resort Guam increased by US\$2,844,000, representing an increase of 14.5% as compared to the preceding year and an increase of 11.2% as compared to the revenue of Fiesta Resort Guam (now rebranded as Crowne Plaza Resort Guam) for 2019 (pre-pandemic).

Riding on the effort of the GVB in boosting the number of tourist arrivals in Guam, the occupancy rate as well as the average room rates of Crowne Plaza Resort Guam increased during 2025, in particular, the second half of 2025. The Group benefits from the use of the booking engines of the InterContinental Hotels Group (the "IHG") and enjoys IHG's marketing and operational support. In addition, perpetual improvement in operation efficiency and optimization of our sales channels and business mix helped enhance customers' loyalty and reduced our reliance on wholesales agents. During the Year, Crowne Plaza Resort Guam achieved a positive gross operating profit, which was 47.0 % higher than the preceding year.

Crowne Plaza Resort Saipan

For the Year, revenue from Crowne Plaza Resort Saipan decreased by approximately US\$764,000 or 5.3% as compared to the preceding year and represented 46.5% of the revenue of Fiesta Resort Saipan (now rebranded as Crowne Plaza Resort Saipan) for 2019 (pre-pandemic). Having said that, Crowne Plaza Resort Saipan was honored to be recognized with the Tripadvisor Travelers' Choice Award 2025, placing us among the top 10% of hotels worldwide. Besides, it also demonstrated our popularity and the recognition of our excellent service quality among travelers.

In late April 2025, an abrupt suspension in the processing of travelers' applications under the CNMI EVS-TAP by the U.S. Customs and Border Protection halted the recovery of tourist arrivals from Mainland China to the NMI region and led to the suspension of the direct flight service from Hong Kong to Saipan for five months. On the other hand, following the tragic plane crash in South Korea in December 2024, the government of South Korea has increased governmental oversight and imposed strict maintenance requirements on all Korean low-cost carriers and airlines. Since May 2025, various Korean low-cost carriers have reduced and/or suspended the number of daily flights from Seoul to Saipan due to declined profitability, which shrank the number of tourist arrivals in Saipan. The decline in tourist arrivals adversely impacted on the occupancy rate and limited the growth in the average room rates of Crowne Plaza Resort Saipan despite the management's continuous dedication in pushing up its average room rate. Furthermore, the Group's other tourism-related businesses operated in Saipan were also impacted due to the decline in the number of tourist arrivals.

Kanoa Resort

Kanoa Resort completed the emergency contract with the CNMI Homeland Security and Emergency Management in July 2022 and remained closed since then. Accordingly, no revenue was generated from Kanoa Resort during the Year. On March 27, 2025, after careful consideration as regards the pace of recovery of the leisure tourism market of Saipan and the substantial amount of capital expenditure required for the renovation and rebranding of Kanoa Resort, the Group has decided not to renew the land lease of Kanoa Resort upon its expiry on June 15, 2025. Accordingly, Kanoa Resort was permanently closed and the property was returned to the Department of Public Lands on the lease expiry date.

Management Discussion and Analysis

Luxury Travel Retail Segment

For the Year, revenue from the Luxury Travel Retail Segment was approximately US\$7,593,000, representing an increase of US\$179,000 or 2.4% as compared to the preceding year. Revenue from our Guam and Hawaii Luxury Travel Retail businesses increased by US\$378,000 or 6.3% as compared to the preceding year, contributed by the increase in the number of tourist arrivals from Japan to Guam, who generally have higher spending power. Nevertheless, revenue from our Saipan Luxury Travel Retail business decreased by US\$199,000 or 13.9% as compared to the preceding year, which offset the growth of our Guam and Hawaii Luxury Travel Retail businesses. This is a result of the decline in the number of tourist arrivals in Saipan from Mainland China and South Korea as mentioned above, coupled with the impact of the continuously strong U.S. dollar against the Korean Won, which lead to an adverse impact on the travelers' spending power.

The franchise agreements between various brands and the Group in relation to the operation of luxury travel retail boutiques in Saipan expired on December 31, 2025. After careful consideration as regards the pace of recovery of the leisure tourism market in Saipan as well as the fact that the luxury travel retail boutiques in Saipan continue suffering from losses after the pandemic, the management of the Group were of the view that it is in the interests of the Group and the Shareholders as a whole for the Group to close all luxury travel retail boutiques in Saipan upon the expiry of the franchise agreements on December 31, 2025.

For the Year, the Luxury Travel Retail Segment had a negative segmental margin of approximately US\$1,217,000. The said negative segmental margin has taken into account, amongst others, higher discount rates offered to push for more sales in Saipan and the recognition of depreciation and amortization expenses (non-cash items) relating to the Group's assets of approximately US\$525,000. During the Year, the management of the Group continued to reinforce cost-saving measures to alleviate the negative financial impact on the segmental results. The renovation of all of our boutiques in Guam was completed with all boutiques relocated to stronger retail spaces. The management of the Group is cautiously optimistic that segmental profitability would gradually pick up.

Destination Services Segment

For the Year, revenue from the Destination Services Segment was approximately US\$1,051,000, representing an increase of US\$128,000 or 13.9% as compared to the preceding year. The increase in revenue was mainly contributed by the two convenience stores located within the hotel premises of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan.

For the Year, the segmental loss of the Destination Services Segment was approximately US\$484,000, representing an increase in loss of US\$190,000 when compared to the preceding year. The decrease in the number of tourist arrivals in Saipan adversely impacted the excursion tours business. Depreciation and amortization expenses (non-cash items) recognized during the Year under the Destination Services Segment was approximately US\$50,000. On December 23, 2025, the Group entered into the Managaha Island Master Concession Agreement with the CNMI Department of Public Lands. Under the Managaha Island Master Concession Agreement, the Group was granted the right to operate businesses relating to transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs, which could enhance the overall experience of our hotel guests, gain competitive advantages over our competitors and expand the excursion tours businesses in Saipan under the Destination Services Segment. The management of the Group is cautiously optimistic that the performance of the Destination Service Segment would improve along with the commencement of operation on the Managaha Island.

Management Discussion and Analysis

ACQUISITIONS AND INVESTMENTS

During the Year, the Group did not make any material acquisition and disposals of subsidiaries, associates, or joint ventures.

The Group has no significant investments held during the Year.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the Year, the Group continues its efforts in expanding its share of the tourism markets in Guam and Saipan. For Guam, the GVB continues to take action in accordance with their Short-term Tactical Plan. In January 2026, the GVB successfully concluded the “One Guam Roadshow 2026” across Tokyo, Nagoya and Osaka, launching its 2026 Japan-market initiatives. The mission began with a partnership between the GVB and two travel agencies to strengthen collaboration and solidify Guam as a priority destination for the Japan market. Seminars highlighted the 2026 marketing and trade initiatives offered by the GVB, including different promotional campaigns, Guam bonus programs, as well as new educational group and airline charter support programs, drawing strong industry engagement. Besides, the business-to-business sessions served as a core component of the roadshow, bringing nearly 410 business meetings to deepen the commercial ties. Being one of the twenty-two GVB member companies participated in this year’s One Guam Roadshow, we demonstrated our strong commitment to support the Government of Guam and GVB to rebuilding and expanding Guam’s presence in this important tourist origin market. Besides, the level of engagement and confidence we showed during roadshow reflected our shared belief in the long-term potential of the Japan market. With Japanese outbound travel continuing to gain positive momentum, the roadshow drew strong engagement from travel trade partners and thus positioned Guam for sustainable growth in the tourism market.

For Saipan, there has been a continuous growth in the number of travelers from Mainland China to Saipan via Hong Kong. There is also ongoing liaison regarding the increase of direct flight service from Hong Kong to Saipan between relevant parties, aiming to increase the volume and secure better time slots for the existing flights. Furthermore, the management of the Group continues to work with different airlines in Mainland China with the hope of resuming direct flight services from select cities to Saipan in the foreseeable future. All of these are expected to reinforce the tourist arrivals from Mainland China to Saipan.

On December 23, 2025, the Managaha Island Master Concession Agreement was signed between the CNMI Department of Public Lands and the Group. Managaha Island is an iconic, small and uninhabited island off the west coast of Saipan, it sits in Saipan’s lagoon and is known for its beautiful beaches, clear water and various water activities. Managaha Island is a popular day-trip destination for tourists and is about ten-minute boat ride from our Crowne Plaza Resort Saipan. On February 15, 2026, the Group officially started the operations of transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs. A convenience store located on Managaha Island was newly opened together with other excursion tours businesses. Such operations could enhance the overall experience of our hotel guests, gain competitive advantages over our competitors, as well as expand the excursion tours businesses in Saipan under the Destination Services Segment.

Subsequent to the end of the Year, the management of the Group and the Hotel Manager continue their efforts in pushing up the average room rates and improving the operational efficiency of both Crowne Plaza resorts, as well as continuing to reinforce the effective cost-saving measures to improve the segmental margin of our Hotels & Resorts Segment. Both Crowne Plaza resorts and Century Hotel remain open for business. For the Luxury Travel Retail Segment, all luxury travel retail boutiques in Guam and Hawaii remain in operation under normal business hours on a daily basis. The luxury travel retail boutiques in Saipan were permanently closed upon the expiry of the relevant franchise agreements on December 31, 2025. Under the Destination Services Segment, the convenience stores located within the hotel premises of the Crowne Plaza resorts and the Group’s existing excursion tours continue to operate, and the Group’s business operations on Managaha Island commenced on February 15, 2026.

On March 30, 2026, the Group has entered into a deed of amendment of the payment clause with Tan Holdings for two out of seven tranches of shareholder loans, with an aggregated principal of US\$15,000,000. Under the amended terms, the contractual repayment date of the relevant loan principal and the related interest was changed from 2029 and 2030, respectively to no fixed maturity, and repayment of both principal and interest shall be made only when determined by the Company. As a result of this amendment, the Company will reclassify US\$15,000,000 of the utilized shareholder loans as perpetual loans in 2026 in accordance with the amended repayment terms.

Management Discussion and Analysis

FUTURE PLANS AND MARKET PROSPECTS

The strong outbound travel momentum across Japan, South Korea and Taiwan supported a favorable tourism outlook for Guam in 2026. As mentioned above, the GVB continues to enhance Guam's market presence through cultural events, digital partnerships, and cross-market engagement, including festivals, Japan and Korea promotional activities, and Taiwan market cultivation. On the other hand, the Recovery Committee of the GVB continues to expand airline capacity, pursuing destination reinvestment and developing new attractions. Furthermore, the Sports & Events Committee of the GVB recommended expanding Guam's presence in regional sports tourism, all of which are to achieve a sustainable recovery in the tourism market.

For Saipan, the Marianas Visitors Authority (the "MVA") has approved a US\$3.8 million spending plan for 2026, which prioritized core tourism-driving activities in Saipan. Half of the funding was budgeted for marketing promotions and various signature events. The MVA refined its strategic approach to ensure limited resources support clear and measurable objectives, such as stabilizing and expanding the number of air seats, enhancing the visitor experience and strengthening public-private partnerships across the tourism section. In December 2025, Philippine Airlines has announced the return of the twice-weekly direct flights between Manila and Saipan beginning March 29, 2026. The resumption of the route was not only aimed at the Philippines market but also provided an additional gateway for travelers from Mainland China seeking new and quicker ways to transit through regional hubs. Furthermore, continuous efforts were put in the discussion with Hong Kong Airline, hoping to achieve additional direct flight services between Hong Kong and Saipan in the near future. On the other hand, MVA continues to liaise with the Government of the CNMI to secure supplemental funding on promotion and marketing efforts for the South Korean market, the NMI region's largest source of visitors, as it works to stabilize the tourism arrivals.

Hotels & Resorts Segment

As the date of this annual report, the Hotel Manager of the two Crowne Plaza resorts continues its efforts in expanding the hotels' respective share of the tourism markets in Guam and Saipan, improving operational efficiency as well as pushing up the average room rates of both Crowne Plaza resorts. The Hotel Manager continues to reach out to our tourism origin markets through participation in various marketing campaigns and international travel fairs held in South Korea, Japan and Taiwan. Riding on the use of IHG's booking engines, coupled with the marketing and operational support from IHG, the management of the Group expects to be able to continue to optimize the sales channels and business mix of the Crowne Plaza resorts, which will help maintain or even increase the hotels' average room rates and further enhance customer loyalty.

Luxury Travel Retail Segment

All boutiques in Guam have been settled in stronger retail spaces with a view to improving segmental profitability. All boutiques in Guam and Hawaii continue to operate under normal business hours on a daily basis.

Destination Services Segment

By entering into the Managaha Island Master Concession Agreement with the CNMI Department of Public Lands, the Group was granted the right to operate businesses relating to transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs. Such operations could create positive synergy by enhancing the overall guest experience in Saipan, which will be beneficial to the long-term growth of the Group.

Other plans and prospects

To maintain the Group's long-term growth and for the best interests of the Group and the shareholders of the Company as a whole, the Group's management continues to cautiously explore possible merger and acquisition opportunities.

Management Discussion and Analysis

INVESTOR RELATIONS AND COMMUNICATIONS

The Group acknowledges the importance of communication with our shareholders. The Group promotes investor relations proactively through meeting with analysts and investors, media luncheon and company interviews. Each year, an annual general meeting will be called by giving not less than 20 clear business days' notice and the Directors will be available at the annual general meeting to answer questions on the Group's business.

The Group encourages two-way communication with both private and institutional investors and responds to their enquiries in an informative and timely manner. The Group has established various forms of communication channels to improve its transparency, including proactive and timely issuance of press releases to inform investors of our latest development. The Group regularly updates its corporate information on the Company's website (www.saileisuregroup.com) in both English and Chinese.

CONTINGENT LIABILITIES

As at December 31, 2025 and 2024, the Group did not have any material contingent liabilities.

VALUATION OF PROPERTIES

For the purpose of complying with bank covenants, a valuation as at September 30, 2025 was conducted on the properties held by our Group in Saipan and Guam (the "**Properties**"). The Properties include premises occupied by our Group for our business operations and premises in our hotels and resorts leased to third parties on concessions in return for a rental income. The Properties were valued at US\$100,900,000 in aggregate as at September 30, 2025 by AP Hospitality Advisors. The Properties were classified as property, plant and equipment and investment properties in the consolidated statement of financial position. As detailed in note 3 to the consolidated financial statements, the property, plant and equipment and investment properties are carried at historical cost less depreciation and impairment loss. Accordingly, no additional depreciation would be charged to the consolidated statement of profit or loss and other comprehensive income regardless of the changes in the market value of the Properties.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Year, the financial position of the Group remained healthy. The Group generally finances its operations with internally generated cash flows, shareholder's loans and external financing. As at December 31, 2025, the total amount of cash and bank deposits of the Group was approximately US\$3,566,000, which is slightly increased as comparable to that as at December 31, 2024.

As at December 31, 2025, the Group had an interest-bearing term loan of US\$35,200,000 (As at December 31, 2024: US\$39,500,000) and a revolving loan of US\$5,000,000 (As at December 31, 2024: US\$5,000,000). The relevant banking facilities were fully drawn down as at December 31, 2025. Based on the scheduled repayments set out in the relevant banking facility letter, the maturity profile of the term loan is spread over a period of five years, with approximately US\$7,800,000 repaid as at December 31, 2025, approximately US\$15,833,000 repayable within 2026 and approximately US\$19,367,000 repayable within 2027.

Since 2022, the Group entered into seven loan agreements with Tan Holdings, a controlling shareholder of the Company, for a total of seven unsecured, interest-bearing loan facilities for the purpose of financing the general working capital of the Group, as detailed below:

Management Discussion and Analysis

	Date of Loan Agreement	Amount of Loan Facility	Interest Rate	Maturity Date
1.	August 30, 2022	US\$5,000,000	2% per annum	August 29, 2030*
2.	December 16, 2022	US\$8,000,000	2% per annum	December 15, 2029*
3.	February 28, 2023	US\$8,000,000	2% per annum	February 27, 2030*
4.	August 1, 2023	US\$7,000,000	5% per annum	July 31, 2030*
5.	February 29, 2024	US\$4,000,000	5% per annum	February 28, 2031*
6.	November 26, 2024	US\$11,000,000	5% per annum	November 25, 2029
7.	November 25, 2025	US\$9,700,000	5% per annum	November 24, 2030

* On December 2, 2024, the Group obtained an extension of 5 years on the loan repayment dates of each of the loan agreements with Tan Holdings.

As at December 31, 2025, the Company had drawn down the full loan facility amount of Loans 1 to 6 and an amount of US\$600,000 of Loan 7.

In March 2026, the Group also received a written commitment from Tan Holdings for a standby shareholder loan facility of US\$9,000,000. Furthermore, Tan Holdings has committed to providing financial support to enable the Group to meet its liabilities when they fall due in the foreseeable future (at least twelve months from the date of the consolidated financial statements). Tan Holdings has undertaken not to demand repayment of the amount due to it by the Group until the Group is in a position to repay without impairing its liquidity and financial position; and

On March 30, 2026, the Group has entered into a deed of amendment of the payment clause with Tan Holdings for Loan 2 and 4 above, with an aggregated principal of US\$15,000,000. Under the amended terms, the contractual repayment date of the relevant loan principal and the related interest was changed from 2029 and 2030, respectively to no fixed maturity, and repayment of both principal and interest shall be made only when determined by the Company. As a result of this amendment, the Company will reclassify US\$15,000,000 of the utilized shareholder loans as perpetual loans in 2026 in accordance with the amended repayment terms.

The Directors are of the view that the Group has adequate liquidity to meet its expected working capital requirements and capital expenditure requirements in the coming twelve months from December 31, 2025.

The gearing ratio of the Group is calculated based on the total interest-bearing bank borrowings divided by total equity as at the end of respective periods and multiplied by 100%. As at December 31, 2025, the gearing ratio of the Group was 234.6% (2024:131.0%). The significant increase in the gearing ratio is due to the increase in the accumulated losses of the Group, which thus reduced the total equity.

The capital structure of the Group consists of debts which include bank borrowings, shareholder's loans, net of cash and cash equivalents and equity attributable to owners of the Company, which comprises issued share capital, share premium and various reserves as shown in the consolidated statement of financial position. There has been no change in the share capital structure of the Company since the date of Listing.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximize the return to the Shareholders through the optimization of the debt and equity balance. The Directors review the capital structure regularly, taking into account the cost of capital and the risk associated with the capital.

CHARGE ON ASSETS

As at December 31, 2025 and 2024, the Group had aggregate banking facilities of US\$48,000,000 and US\$48,000,000, respectively, which were fully utilized and were secured by certain buildings and investment properties owned by the Group.

Management Discussion and Analysis

FOREIGN EXCHANGE RISK MANAGEMENT

The subsidiaries of the Group mainly operate in Saipan, Guam and Hawaii with most transactions settled in United States dollars (“**US Dollars**”). Foreign exchange rate risk arises when recognized financial assets and liabilities are denominated in a currency that is not the entity’s functional currency. As at December 31, 2025, the financial assets and liabilities of the subsidiaries of the Group in Saipan, Guam and Hawaii are also primarily denominated in US Dollars. Therefore, the Group’s foreign exchange risk is insignificant.

EMPLOYEES AND EMOLUMENT POLICY

As at December 31, 2025, the Group had a total of 329 (as at December 31, 2024: 331) full-time employees, including 196 employed in Saipan, 123 employed in Guam, 5 employed in Hawaii and 5 employed in Hong Kong. During the Year, all of our business segments, in particular, Crowne Plaza Resort Guam and the Luxury Travel Retail Segment reviewed their operation efficiency and reduced their respective headcount as of December 31, 2025. As a responsible employer, the Group continues to value its employees and continues to strive to provide an excellent working environment. The Group has complied with all relevant labor laws and regulations and has formulated a set of human resources policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal employment opportunity, diversity, anti-discrimination and other benefits and welfare. Remuneration is determined with reference to market terms and performance, qualification and experience of individual directors and employees. During the Year, the total staff costs (including directors’ emoluments) amounted to US\$14,528,000 (2024: US\$14,613,000). The Company has adopted the Post-IPO Share Option Scheme on April 9, 2019 for the purpose of providing incentives and rewards to eligible persons, including the employees of the Group, for their contribution to the Group. Details of the share option scheme are set out under the heading “Share Option Scheme” in the section headed “Report of Directors” on page 26 of this annual report.

Management Executives

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Dr. TAN Siu Lin, *GBS, SBS*, (“**Chairman Tan**”), aged 95, has been the Chairman of the Board and a Non-Executive Director of the Company since November 2018. He founded the Group in April 1997. Chairman Tan is a prominent entrepreneur in Mainland China, Hong Kong, Guam, the NMI region and the Micronesia region with over 50 years of experience in developing a diversified portfolio of business ventures. He is the honorary director of Peking University Education Foundation (北京大學教育基金會), chairman of the board of the Peking University Luen Thai Center for Supply Chain System Research & Development (北京大學聯泰供應鏈系統研發中心), and chairman of the board of Tan Siu Lin School of Business in Quanzhou Normal University (泉州師範學院陳守仁商學院). Chairman Tan is the permanent honorary director of the board of Huaqiao University (華僑大學) and the honorary consul of the Federated States of Micronesia in Hong Kong. In 2024, Chairman Tan was awarded a Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region to recognize his dedication to the charity work rendered in the community. Chairman Tan holds an honorary doctoral of laws degree from the University of Guam and has been awarded honorary university fellowships by both the Hong Kong Baptist University and the Chinese University of Hong Kong. He is also the founder, honorary life chairman and executive director of Luen Thai Holdings Limited (Stock Code: 311), a company listed on the Main Board of the Stock Exchange. Chairman Tan is the father of Dr. Tan Henry (Vice Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder), Mr. Tan Willie (a Non-Executive Director), Mr. Tan Jerry Cho Yee (a member of our senior management) and the grandfather of Mrs. Su Tan Jennifer Sze Tink (an Executive Director and the Executive Vice President). Chairman Tan is also a controlling shareholder of the Company. Details of his interest in the shares of the Company are set out under the headings “Directors’ and Chief Executives’ Interest in Shares” in the section headed “Report of Directors” on page 30 of this annual report.

EXECUTIVE DIRECTORS

Dr. TAN Henry, *SBS, BBS, JP*, aged 72, has been the Vice Chairman of the Board, an Executive Director and the Chief Executive Officer of the Company since November 2018. He is also a member of our Remuneration Committee and a former member of our Nomination Committee. He joined the Group in April 1997. Dr. Tan has over 40 years of experience in conducting business in mainland China, Hong Kong, Guam, the NMI region and the Micronesia region and has gained in-depth local knowledge, business and personal connections and market insight in the region. Dr. Tan is passionate about serving the community. He is a court member of The Hong Kong Polytechnic University, a member of the Council and the chairman of the Advisory Committee of College of Professional and Continuing Education of The Hong Kong Polytechnic University, and an honorary court member of the Hong Kong Baptist University and a member of the board of governors of the Hong Kong Chu Hai College. Dr. Tan is a member of the Election Committee of the Hong Kong Special Administrative Region and a member of the National Committee of the Chinese People’s Political Consultative Conference of the People’s Republic of China. He is an honorary trustee of Peking University (北京大學) and a director of the board of Huaqiao University (華僑大學). Dr. Tan is an honorable life-chairman of the Hong Kong General Chamber of Textiles since 2009 and an honorary chairman of the Textile Council of Hong Kong since December 2023. Dr. Tan was a Hong Kong Deputy to the 14th National People’s Congress of the People’s Republic of China and a former chairman of Po Leung Kuk. He was awarded a Silver Bauhinia Star in November 2025 and a Bronze Bauhinia Star in November 2005. Dr. Tan was appointed as Justice of the Peace in July 2008 by the Government of Hong Kong Special Administrative Region. Dr. Tan holds a bachelor’s degree and a master’s degree in business administration from the University of Guam. He also received an honorary doctorate in humane letters from the University of Guam in recognition of his contribution in Guam, the NMI region and the Micronesia region. Since June 2020, Dr. Tan has been the independent non-executive director of SinoMedia Holding Limited (Stock Code: 623), the shares of which are listed on the Main Board of the Stock Exchange. Dr. Tan is a son of Chairman Tan (Chairman, a non-Executive Director and a controlling shareholder), a brother of Mr. Tan Willie (a Non-Executive Director) and Mr. Tan Jerry Cho Yee (a member of our senior management), the father of Mrs. Su Tan Jennifer Sze Tink (an Executive Director and the Executive Vice President), and a brother-in-law of Mr. Chiu George (an Executive Director). He is also a director of S.A.I. CNMI Holdings Limited, S.A.I. CNMI Tourism Inc., S.A.I. Guam Holdings Limited, Gemkell Corporation and Gemkell U.S.A. LLC, all of which are our subsidiaries. Dr. Tan is also a controlling shareholder of the Company. Details of his interest in the shares of the Company are set out under the headings “Directors’ and Chief Executives’ Interest in Shares” in the section headed “Report of Directors” on page 30 of this annual report.

Management Executives

Mr. CHIU George, aged 64, has been an Executive Director of the Group since November 2018. Mr. Chiu joined the Group in April 1997 and has held directorship and key management roles. Mr. Chiu is recognized as a successful businessman in Guam, the NMI region and the Micronesia region with over 30 years of experience in overseeing and managing various business ventures in the region. Mr. Chiu has a strong presence in the business community of Guam, the NMI region and the Micronesia region. He is also actively involved in other community organizations. Mr. Chiu is the president of both the Chinese Chamber of Commerce of Guam and the Guam Chinese Association. He also serves as the director of the board of the Guam Visitors Bureau and the director/treasurer of the board of the University of Guam Endowment Foundation. On March 23, 2023, Mr. Chiu was elected as the chairman of the board of the Guam Visitors Bureau. Mr. Chiu was a former director of the board of the Guam Economic Development Authority. Mr. Chiu holds a bachelor's degree in business administration with double majors in management and accounting from the University of Guam. Mr. Chiu is the brother-in-law of Dr. Tan Henry (Vice Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder) and an uncle of Mrs. Su Tan Jennifer Sze Tink (an Executive Director and the Executive Vice President). He is also a director of S.A.I. CNMI Tourism Inc., S.A.I. Guam Tourism Inc., Asia Pacific Hotels, Inc., Asia Pacific Hotels, Inc. (Guam), Gemkell (Saipan) Corporation, Gemkell Corporation and Gemkell U.S.A. LLC, all of which are our subsidiaries.

Mrs. SU TAN Jennifer Sze Tink, aged 43, has been an Executive Director of the Company since November 2018. She is also the Executive Vice President of our Group. Mrs. Su Tan joined our Group in February 2017. She has a solid background and experience in the hotel and hospitality industry and marketing. Mrs. Su Tan is a member of the Industry Advisory Committee of the School of Hotel and Tourism Management of The Hong Kong Polytechnic University. She won the Guangdong-Hong Kong-Macao Greater Bay Area Outstanding Youth Entrepreneurs Award in September 2022 and in 2023, the Economic Observer conferred the 2023 Outstanding Women Business Leaders Award on Mrs. Su Tan and she was also awarded as one of the 2023 Most Powerful Women by Fortune China. Mrs. Su Tan was featured in China Newsweek in 2024 for her role in enhancing the Group's tourism products to increase attractions. She was also highlighted in the report of Caijing.com.cn about her clout over the tourism industry. Mrs. Su Tan holds a bachelor's degree in science majoring in hotel and restaurant administration from Cornell University, the U.S.. She is a granddaughter of Chairman Tan (Chairman, a Non-Executive Director and a controlling shareholder), a daughter of Dr. Tan Henry (Vice Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder) and a niece of Mr. Chiu George (an Executive Director), Mr. Tan Willie (a Non-Executive Director) and Mr. Tan Jerry Cho Yee (a member of our senior management). Mrs. Su Tan is also a director of Asia Pacific Hotels, Inc., Asia Pacific Hotels, Inc. (Guam) and Century Tours. Inc., all of which are our subsidiaries.

Ms. CHEUNG Pik Shan Bonnie, aged 49, has been our Group Financial Controller since November 2018 and was appointed as the Company Secretary of the Company since April 2019. She joined the Group in April 2018 and is a member of our Nomination Committee with effective from August 29, 2025. Ms. Cheung has over 25 years of experience in the field of auditing and accounting. Before transferring to the Group, she was a vice president of the corporate finance division of Luen Thai Holdings Limited (Stock Code: 311), the shares of which are listed on the Main Board of the Stock Exchange. Ms. Cheung completed the Business Sustainability Management programme designed by the Institute for Sustainability Leadership of the University of Cambridge in 2022. Ms. Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Cheung holds a bachelor's degree in accountancy from The Hong Kong Polytechnic University.

Management Executives

NON-EXECUTIVE DIRECTOR

Mr. TAN Willie, aged 70, has been a Non-Executive Director of the Company since November 2018. Mr. Tan joined the Group in April 1997. He has over 30 years of experience in business management. Mr. Tan is the vice chairman of the board of Tan Holdings (a controlling shareholder), which is the privately held business of the family of Chairman Tan. Mr. Tan has an extensive experience in tourism and retail businesses. He is also the chief executive officer of Skechers China Limited, Skechers Hong Kong Limited, Skechers South Korea Limited and Skechers Southeast Asia Limited. He was appointed honorary ambassador-at-large for Guam, U.S. in 2007. Mr. Tan holds a bachelor's degree in business administration from the University of Guam. He is a son of Chairman Tan (Chairman, a Non-Executive Director and a controlling shareholder), a brother of Dr. Tan Henry (Vice Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder) and Mr. Tan Jerry Cho Yee (a member of our senior management) and an uncle of Mrs. Su Tan Jennifer Sze Tink (an Executive Director and the Executive Vice President). Mr. Tan is also a director of Asia Pacific Hotels, Inc., Gemkell (Saipan) Corporation, Gemkell Corporation and Gemkell U.S.A. LLC, all of which are our subsidiaries.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Leung Choi Albert, aged 71, has been an Independent Non-Executive Director of the Company since April 2019 and is the Chairman of our Remuneration Committee and a member of our Audit and Nomination Committees. Mr. Chan has over 40 years of banking experience based in Hong Kong. Prior to his retirement in 2017, he was Head of Commercial Banking Hong Kong of The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”). Before that, he assumed various management positions in HSBC including retail banking, treasury, corporate banking and risk management. During January 2019 to January 2025, Mr. Chan had been a non-executive director of HSBC Bank (China) Company Limited, a wholly owned subsidiary of the HSBC group. Mr. Chan holds a bachelor's degree in science from the University of Hong Kong.

Mr. MA Andrew Chiu Cheung, aged 84, has been an Independent Non-Executive Director of the Company since April 2019 and is the Chairman of our Audit Committee. Mr. Ma holds a bachelor's degree in economics from the London School of Economics and Political Science (The University of London) in the United Kingdom and has over 40 years of experience in accounting, auditing and finance. He is a Fellow Member of each of the Institute of Chartered Accountants in England & Wales, the Hong Kong Institute of Certified Public Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Directors. Mr. Ma is a founder and former director of AMA CPA Limited (formerly known as Andrew Ma DFK (CPA) Limited) in Hong Kong. He is also a founder and served as a director of Mayee Management Limited until his retirement on January 1, 2024. He is currently an independent non-executive director of Asiaray Media Group Limited (Stock Code: 1993) and C-MER Medical Holdings Limited (formerly known as C-MER EYE CARE HOLDINGS LIMITED) (Stock Code: 3309), the shares of all of which are listed on the Main Board of the Stock Exchange.

Mr. WONG Chun Tat, JP, aged 45, was appointed as an Independent Non-Executive Director of the Company since December 16, 2022 and is the Chairman of our Nomination Committee and a member of our Audit and Remuneration Committees. Mr. Wong has over 10 years of experience in the tourism industry. He has been the general manager of Sin Ma Tours Limited since February 2019, an executive director of Hong Thai Golf Centre Limited since July 2021 and an executive director of Hong Thai Expo & Business Centre Limited since October 2022. Mr. Wong is actively engaged in public and community services with a focus on developing the Hong Kong tourism industry. He is currently the honorary adviser of the Hong Kong Travel Industry Council, a former board member of the Hong Kong Tourism Board, member of the Community Involvement, Culture and Recreation Committee & Development Planning Committee of Southern District Council. Mr. Wong is also currently a standing committee member of the Chinese Chamber of Commerce, Hong Kong, chairman of the Youth Executives' Committee of the Chinese Chamber of Commerce, Hong Kong, executive vice-chairman of the Y. Elites Association, member of the Chongqing Committee of the Chinese People's Political Consultative Conference (the 6th session), member of the Thirteenth Committee of the All-China Youth Federation and member of the Election Committee of the Hong Kong Special Administrative Region. In addition, Mr. Wong is currently an independent non-executive director of South China Holdings Company Limited (Stock Code: 413), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Wong obtained a bachelor's degree in tourism management in 2003 and a master's degree in professional accounting in 2008, both from the Hong Kong Polytechnic University.

SENIOR MANAGEMENT

Mr. TAN Jerry Cho Yee, aged 64, has been our President, Guam & Northern Mariana Islands since November 2018. He joined the Group in April 1997. Mr. Tan is the president and chief executive officer of Tan Holdings (a controlling shareholder), which is the privately held business of the family of Chairman Tan, and has over 30 years of management experience in doing business in Guam, the NMI region and the Micronesia region. Mr. Tan received recognition as an entrepreneur and community leader including Executive of the Year from the Guam Business Magazine, Business Person of the Year from the Saipan Chamber of Commerce, Employer of the Year from the NMI Society for Human Resource Management, Sports Administrator of the Year and NMI Sports Hall of Fame Awardee from the Northern Marianas Sports Association. Mr. Tan is the vice chairman of Tan Siu Lin Foundation and the chairman of Pacific Century Fellows Marianas Chapter, a non-profit leadership mentoring program for young people working in both public and private sectors in the NMI region. He formerly served on the US Travel & Tourism Advisory Board from 2023 to 2025 under the US Department of Commerce Secretary Gina Raimondo, and was involved in the leveraging sporting events to promote the United States as a Tourism Destination Committee from 2024 to 2025 and the Workforce Development-Attracting Talent to the Tourism Workforce Subcommittee from 2023 to 2025. He served as co-chairman of the Governor's Council of Economic Advisers of the NMI region together with the former CNMI Governor Ralph DLG Torres from 2020 to 2022. He previously served as a board member of the MVA from 2012 to 2020 and was its chairman from 2006 to 2010. He is the chairman of Tuloy Football Club since 2023, the president of the Northern Marianas Sports Association since 2020, the president of the Northern Mariana Islands Football Association since 2005 and the president of the Chinese Association of Saipan, U.S.A. since 2005. Mr. Tan graduated magna cum laude from the University of Guam with double majors in management and accounting. He is a son of Chairman Tan (Chairman, a Non-Executive Director and a controlling shareholder), a brother of Dr. Tan Henry (Vice Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder) and Mr. Tan Willie (a Non-Executive Director) and an uncle of Mrs. Su Tan Jennifer Sze Tink (an Executive Director and the Executive Vice President). Mr. Tan is also a director of S.A.I. CNMI Tourism Inc., S.A.I. Guam Tourism Inc., Asia Pacific Hotels, Inc., Asia Pacific Hotels, Inc. (Guam), Gemkell (Saipan) Corporation and Century Tours, Inc. and a manager (equivalent to a director) of CKR, LLC, all of which are our subsidiaries.

Mr. Ivan Quichocho, aged 55, is the Vice President of Business Development and Operations of our Destination Services Segment and he also oversees Century Hotel, a boutique hotel of our Group. Mr. Quichocho has over 35 years of experience in a full spectrum of tourism businesses in Guam, the NMI region and the Micronesia region and the aviation industry. Mr. Quichocho joined the group in March 2006 and with nearly two decades of service, he leads his team with the core corporate values at heart by giving back to the community. Mr. Quichocho has served the community as the chairman of the Airport Operators Committee, the chairman for Air Service, Governors Strategic Economic Development Committee, as well as the president and director of the Northern Marianas College Foundation. He joined the board of the Hotel Association of the Northern Mariana Islands ("HANMI") in 2020 and served as the president of the HANMI in 2021 and 2022. Since 2023, Mr. Quichocho is serving as the vice president of the HANMI and concurrently, he also serves as a director of the board of the MVA and as the chairman of the Tourism Resumption Investment Plan which created the first ever Travel Bubble between South Korea and the NMI region during the COVID19 Pandemic. Mr. Quichocho received high recognition as a business and community leader in Guam, the NMI region and the Micronesia region in various ways. On April 25, 1995, the day was named as "Ivan Quichocho Day" in Guam by Governor Carl T.C. Guterrez for recognizing Mr. Quichocho's outstanding work in making Guam a special place for tourism. Besides, Mr. Quichocho was also named the 2017 Businessperson of the Year by the Saipan Chamber of Commerce. Mr. Quichocho is a director of Saipan Adventures, Inc., Let's Go Tours Company and J&K Marine Sports, Inc., all of which are our subsidiaries.

Ms. Maria Luisa (Malou) Ernest, aged 55, joined the Group in January 2021 and has been serving as our Group's Vice President of Human Resources since then. Ms. Ernest brings with her over 30 years of experience in supporting various strategic business units with their day-to-day operations, leadership, and strategic human resources development. Before joining the Group, she held the positions of human resources manager and regional training director at Tan Holdings (a controlling shareholder). Ms. Ernest holds professional certifications, including Senior Professional in HR (SPHR), Global Professional in HR (GPHR), and Senior Certified Professional (SHRM-SCP). She previously served as president of the Society for Human Resources Management (SHRM) Northern Mariana Islands Chapter and as vice chairman for the board of CNMI Public School System's Headstart Program.

Report of Directors

The Board has the pleasure of presenting to the shareholders this annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are (1) the operation of hotels and resorts in Saipan and Guam, (2) luxury travel retail business in Saipan, Guam and Hawaii and (3) the provision of destination services in Saipan and Guam, the particulars of which are set out in note 1 to the consolidated financial statements.

The Listing of and the dealing in the shares on the Stock Exchange commenced on the Listing Date, being May 16, 2019.

An analysis of the Group's performance by principal activities during the Year is set out in note 5 to the consolidated financial statements on pages 153 to 155 of this annual report.

GROUP PROFIT/LOSS

The loss of the Group for the Year is set out in the consolidated statement of profit or loss and other comprehensive income on page 126 of this annual report. The state of the Group's affairs as at December 31, 2025 are set out in the consolidated financial statements on pages 126 to 191 of this annual report.

DIVIDENDS

No interim dividend (2024: Nil) was declared during the Year. The Board has resolved not to recommend the payment of a final dividend for the Year (2024: Nil).

The Board is not aware of any shareholders who have waived or agreed to waive any dividends.

CASH FLOW

The cash flow position of the Group for the Year is set out and analyzed in the consolidated statement of cash flows on pages 130 to 131 of this annual report.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the business of the Group for the Year together with a discussion and analysis of its performance and the material factors underlying its performance as well as the Group's future business development are set out in the sections headed "Chairman's Statement" as well as the "Management Discussion and Analysis" on pages 6 to 7 and pages 8 to 19 of this annual report respectively. An analysis of the Group's performance during the Year using financial key performance indicators is provided in the section headed "Key Financial Highlights" on page 5 of this annual report.

ENVIRONMENTAL POLICIES AND SOCIAL RESPONSIBILITIES

Detailed information and a discussion on the environmental, social and governance practices adopted by the Group will be set out in the "Environmental, Social and Governance Report" on pages 39 to 102 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business operations are mainly carried out by the Company's subsidiaries in Saipan, Guam and Hawaii, the United States of America (the "U.S."), while the Company is listed on the Main Board of the Stock Exchange in Hong Kong. Sufficient resources have been allocated to ensure the on-going compliance with applicable laws and regulations. During the Year and up to the date of this annual report, the Board is not aware of any material non-compliance with the relevant laws and regulations in the countries where the Group is operating.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that business operations and financial results of the Group may be affected by various risks and uncertainties. Description of the principal risks and uncertainties faced by the Group are set out in the section headed “Principal Risks and Uncertainties” on pages 37 to 38 of this annual report.

RELATIONSHIP WITH KEY STAKEHOLDERS

The success of the Group depends on the support from key stakeholders which comprise customers, suppliers, employees and shareholders.

Customers and Suppliers

The Group appreciates the importance of maintaining a good relationship with its customers and suppliers to meet its immediate and long-term business goals. The Group values customers’ feedback and addresses their concerns in a timely manner. During the Year, there is no circumstance of any event between the Group and its customers or suppliers which will have a significant impact on the Group’s business and on which the Group’s success depends.

Employees

Employees constitute one of the valuable assets of the Group. The key objective of the Group’s human resource management is to recognize and reward performing staff by providing competitive remuneration packages and implementing an effective performance appraisal system with appropriate incentives. Sufficient training and development are provided to all the employees and equal opportunities are provided within the Group for career advancement.

Shareholders

One of the major goals of the Group is to maximize the return to the shareholders. The Group endeavors to foster the development of business for achieving sustainable profit growth and rewarding the shareholders with stable dividend payouts taking into account the business development needs and financial health of the Group.

MAJOR CUSTOMERS

The Group’s major customers during the Year are primarily corporate customers of our Hotels & Resorts Segment. During the Year, the aggregate percentage of the Group’s revenue from sales attributable to the Group’s five largest customers was less than 30%. In addition, the Group’s largest customer accounted for approximately 5.5% of the total revenue from sales.

Our Directors have confirmed that, save as disclosed under the paragraph headed “Connected Transactions, Directors’ and Shareholders’ Interest in Contracts” below and as at December 31, 2025, all of our five largest customers (by revenue contribution) were independent third parties. None of our Directors, their close associates or our existing shareholder(s) who, to the knowledge of the Directors, owned more than 5% of the Company’s issued share capital, had an interest in any of the five largest customers.

MAJOR SUPPLIERS

The Group’s major suppliers are utilities and food & beverage ingredient suppliers in our Hotels & Resorts Segment, as well as brand owners in our Luxury Travel Retail Segment. During the Year, the aggregate percentage of the Group’s purchases attributable to the Group’s five largest suppliers was less than 30%. In addition, the Group’s largest supplier accounted for approximately 3.3% of the total purchases.

As at December 31, 2025, none of our Directors, their close associates or our existing shareholder(s) who, to the knowledge of the Directors, own more than 5% of the Company’s issued share capital had an interest in any of the five largest suppliers.

Report of Directors

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Group as at December 31, 2025 are set out in note 1 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at December 31, 2025, the Company's reserves available for distribution to the shareholders, calculated in accordance with the Companies Law (Revised), Cap 22 of the Cayman Islands, amounted to US\$85,529,000. Details of movements in the reserves of the Company during the Year are set out in note 36(b) to the consolidated financial statements. Under the Companies Law (Revised), Cap. 22 of the Cayman Islands, the funds in the share premium account and the capital reserve account of the Company are distributable to the shareholders provided that, immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 192 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTY

Details of movements in investment properties of the Group during the Year are set out in note 16 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in note 3 to the consolidated financial statements.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to approximately US\$5,000 (2024: US\$12,000).

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on April 9, 2019, pursuant to which the Board may, at its absolute discretion, offer to grant to any Eligible Person (as defined below) an option to subscribe for shares.

Subject to the provisions of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), "**Eligible Persons**" include any director or proposed director (including an independent non-executive director) of any member of our Group, any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of our Group (an "**Employee**"), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (an "**Executive**"), a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group, a person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of our Group, or an Associate (as defined under the Listing Rules) of any of the foregoing persons.

The purposes of the Share Option Scheme are to motivate Eligible Persons to optimize their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Under the Share Option Scheme and subject to the Listing Rules, an option may be exercised at any time during a period to be notified by the Board to each grantee. The Board may also provide restrictions on the exercise of an option during the period an option may be exercised. As of the date of this annual report, the total number of shares available for issue under the Share Option Scheme is 36,000,000, representing 10% of the total issued share capital of the Company as of the date of this annual report. Subject to the Listing Rules, the maximum number of shares issued and to be issued upon exercise of the options granted to any one Eligible Person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares in issue from time to time. Each grantee shall pay a consideration of HK\$10 upon acceptance of the offer of the option (within 21 days of the offer) and the exercise price of the share options will be determined by the Board and shall be less than the highest of (i) the nominal value of a share; (ii) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and (iii) the average of the closing prices of shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date.

The Share Option Scheme will remain in force for ten years from the Listing Date until May 15, 2029, unless otherwise determined in accordance with its terms.

During the Year, no options were granted, exercised or cancelled, or lapsed under the Share Option Scheme and there were no options outstanding as at December 31, 2025. No share options were granted to any Eligible Person since the adoption of the Share Option Scheme.

MANAGEMENT CONTRACTS

The two hotel management agreements made between the Group and the Hotel Manager in respect of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan respectively dated September 10, 2019 and May 1, 2020 remained in effect during the Year. Each of the hotel management agreements are for an initial term of 25 years from its commencement date with two options to renew for an additional 5 years each.

The hotel management agreements in respect of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan commenced in October 2019 and August 2020 respectively, and the Hotel Manager has been managing both hotels throughout the Year.

The Hotel Manager is managing two out of three of the Group's hotels and resorts under our Hotels & Resorts Segment. Under the terms of the hotel management agreements, the Hotel Manager provides hotel management services and manages and operates the two hotels in accordance with the relevant brand standards. The Group retains its rights as hotel owner over certain key managerial, financial and strategic decisions.

Report of Directors

None of the Directors has a material interest in the hotel management agreements.

Save as aforesaid, no contracts, other than contracts of service with Directors or persons engaged under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Year.

DIRECTORS AND DIRECTORS' SERVICE AGREEMENTS

The Directors who held office during the Year and up to the date of this annual report were:

Chairman and Non-Executive Director

Dr. TAN Siu Lin, *GBS, SBS*

Executive Directors

Dr. TAN Henry, *SBS, BBS, JP*

Mr. CHIU George

Mrs. SU TAN Jennifer Sze Tink

Ms. CHEUNG Pik Shan Bonnie (*Appointed on April 9, 2025*)

Non-Executive Directors

Mr. TAN Willie

Mr. SCHWEIZER Jeffrey William (*Retired on April 8, 2025*)

Independent Non-Executive Directors

Mr. CHAN Leung Choi Albert

Mr. MA Andrew Chiu Cheung

Mr. WONG Chun Tat, *JP*

The Company considers all the independent non-executive Directors as independent.

APPOINTMENTS, RETIREMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a term of three years and is subject to termination by either party by giving not less than three months' written notice or compensation in lieu.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years and is subject to termination by either party by giving not less than three months' written notice or compensation in lieu.

In February 2025, Mr. Schweizer Jeffrey William ("**Mr. Schweizer**") informed the Board that he will retire as a non-executive Director upon the expiry of the term of his letter of appointment with the Company on April 8, 2025. Mr. Schweizer has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the shareholders relating to his retirement. On March 27, 2025, the Board appointed Ms. Cheung Pik Shan Bonnie ("**Ms. Cheung**"), company secretary and group financial controller of the Company, as an executive Director of the Company with effect from April 9, 2025. The biographical details of Ms. Cheung are set out in the section headed "Management Executives" on pages 20 to 23 of this annual report.

Under the articles of association of the Company (the “**Articles**”), at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. In addition, according to the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**CG Code**”) and the Articles, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election and continues to act as a Director throughout the meeting at which he retires.

The Articles also provide that any Director appointed by the Board, either to fill a causal vacancy in the Board or as an addition to the existing Board, shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with the Articles, Mr. Chiu George, Mr. Tan Willie and Mr. Ma Andrew Chiu Cheung will retire from office at the forthcoming annual general meeting (“**AGM**”). All retiring Directors, being eligible, will offer themselves for re-election at the AGM.

DIRECTORS’ MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed under the paragraph headed “Connected Transactions, Directors’ and Shareholders’ Interests in Contracts” below, no other transactions, arrangements or contracts of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which a Director and the Director’s connected entities had a material interest, whether directly or indirectly, subsisted as at December 31, 2025 or at any time during the Year.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed “Directors’ and Chief Executives’ Interests in Shares” below, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of an acquisition of shares or underlying shares in, or debentures of, the Company or any other body corporate.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed “Management Executives” on pages 20 to 23 of this annual report.

DIRECTORS’ AND MANAGEMENT EMOLUMENTS

Particulars of Directors’ emoluments and the five highest paid individuals in the Group are set out in notes 10 and 11 respectively to the consolidated financial statements. During the Year, Dr. Tan Siu Lin, Dr. Tan Henry, Mr. Tan Willie and Mr. Chiu George have agreed to waive their emoluments.

Report of Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at December 31, 2025, the interests of the Directors and chief executives of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance, Cap. 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

Long position in the shares

Directors	Personal interests (held as beneficial owner)	Shares in the Company		Percentage of interests in the Company ^(a)
		Corporate interests (interests of controlled corporations)	Total interests	
Dr. TAN Siu Lin ^(b)	—	270,000,000	270,000,000	75%
Dr. TAN Henry ^(c)	—	270,000,000	270,000,000	75%

Notes:

- (a) The percentage has been compiled based on the total number of shares issued (i.e. 360,000,000) as at December 31, 2025.
- (b) Dr. Tan Siu Lin is deemed to be interested in 270,000,000 shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure Holdings Limited ("**THC Leisure**") because (i) he acts in concert with Dr. Tan Henry in respect of the affairs of the Group; (ii) he and Dr. Tan Henry together control the majority of the board of directors of Supreme Success Limited ("**Supreme Success**"), which is the registered owner of the entire interests in Leap Forward Limited ("**Leap Forward**") as the trustee of a discretionary family trust; (iii) he and Dr. Tan Henry together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward, and are thus entitled to exercise the voting rights in Leap Forward; (iv) he is the founder of the said discretionary family trust; (v) Leap Forward is the registered owner of a 47% interest in Tan Holdings; and (vi) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Siu Lin.
- (c) Dr. Tan Henry is deemed to be interested in 270,000,000 shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Siu Lin in respect of the affairs of the Group; (ii) he and Dr. Tan Siu Lin together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Siu Lin together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward and are thus entitled to exercise the voting rights in Leap Forward; (iv) Leap Forward is the registered owner of a 47% interest in Tan Holdings; and (v) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Henry. He is also the founder of a discretionary family trust which is the registered owner of a 20% interest in Tan Holdings.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at December 31, 2025, the register of substantial shareholders maintained pursuant to Section 336 of Part XV of the SFO showed that other than the interests disclosed in the section headed "Directors' and Chief Executives' Interests in Shares" above, the following shareholders had notified the Company of their relevant interests in the issued share capital of the Company.

Long position in the shares

Name of shareholder	Capacity/Nature of interests	Number of shares	Percentage of interests in the Company ^(a)
Dr. TAN Siu Lin ^(b)	Interests in a controlled corporation	270,000,000	75%
Dr. TAN Henry ^(c)	Interests in a controlled corporation	270,000,000	75%
THC Leisure ^(d)	Beneficial interests	270,000,000	75%
Tan Holdings ^(d)	Interests in a controlled corporation	270,000,000	75%
Leap Forward ^(d)	Interests in a controlled corporation	270,000,000	75%
Supreme Success ^(d)	Interests in a controlled corporation	270,000,000	75%

Notes:

- (a) The percentage has been compiled based on the total number of shares in issue (i.e. 360,000,000) as at December 31, 2025.
- (b) Dr. Tan Siu Lin is deemed to be interested in 270,000,000 shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Henry in respect of the affairs of the Group; (ii) he and Dr. Tan Henry together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Henry together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward, and are thus entitled to exercise the voting rights in Leap Forward; (iv) he is the founder of the said discretionary family trust; (v) Leap Forward is the registered owner of a 47% interest in Tan Holdings; and (vi) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Siu Lin.
- (c) Dr. Tan Henry is deemed to be interested in 270,000,000 shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Siu Lin in respect of the affairs of the Group; (ii) he and Dr. Tan Siu Lin together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Siu Lin together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward and are thus entitled to exercise the voting rights in Leap Forward; (iv) Leap Forward is the registered owner of a 47% interest in Tan Holdings; and (v) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Henry. He is also the founder of a discretionary family trust which is the registered owner of a 20% interest in Tan Holdings.
- (d) THC Leisure directly holds 270,000,000 shares (representing 75% of the Company's entire issued share capital). THC Leisure is 100% directly owned by Tan Holdings. Leap Forward holds 47% interest in Tan Holdings directly and Supreme Success holds 100% interest in Leap Forward.

Report of Directors

Save as disclosed above, so far as is known to the Directors, there is no other person (not being a Director or chief executives of the Company) who has an interest or a short position in the shares or underlying shares which could fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

CONNECTED TRANSACTIONS, DIRECTORS' AND SHAREHOLDERS' INTERESTS IN CONTRACTS

The related party transactions of the Company for the Year are set out in note 31 to the consolidated financial statements. Other than disclosed below, the related party transactions of the Company did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement and/or independent shareholders' approval requirements under the Listing Rules.

Non-exempt Continuing Connected Transactions

During the Year, the Group entered into a number of transactions which constituted non-exempt continuing connected transactions for the Company and are subject to announcement, annual review and/or independent shareholders' approval requirements contained in Chapter 14A of the Listing Rules.

The following table is a summary of the approximate aggregate value and the annual caps of each category of the non-exempt continuing connected transactions of the Group pursuant to Chapter 14A of the Listing Rules for the Year. Details of these connected transactions are set out below in accordance with the Listing Rules.

Connected Parties	Category	For the Year ended December 31, 2025	
		Aggregate Value US\$'000	Annual Cap US\$'000
Expenses			
TakeCare	Medical Insurance ^(b)	940	1,190
Cosmos Saipan, Cosmos Guam and D&Q	Consumer Goods Transactions ^(c)	131	151
Beach Road Tourism, L&T Group and Luen Thai International	Leased premises ^(d)	285	—
CTSI Group	Freight and Logistics Transactions ^(e)	223	672
Income			
QZ Tours	Holiday Package Transactions ^(a)	1,157	2,108

Notes:

- (a) On April 9, 2019, the Company entered into an agreement with 泉州市世紀旅遊投資有限公司 (“QZ Tours”) for a term commencing from April 9, 2019 to December 31, 2021 (subsequently renewed for another term of three years) pursuant to which QZ Tours agreed to (i) reserve in bulk accommodation in our hotels and resorts; (ii) purchase meal coupons from our on-site restaurants and our self-operated excursion tours; and (iii) procure destination-based, concierge and travel management services from our Destination Services Segment (the “Holiday Package Transactions”). These travel products and services are often bundled by QZ Tours into holiday packages and on-sold to its customers. The Holiday Package Transactions relate to our business operations in Saipan only.

QZ Tours has been providing the Holiday Package Transactions for more than five years before the Company's Listing on the Stock Exchange. The commercial terms we offered to QZ Tours were substantially the same as those we offered to other independent tour operators, with the exceptions that (i) we generally offer a discount to tour operators which place bulk bookings with us and the level of such discount is determined primarily based on the level of bulk bookings placed with us; (ii) only QZ Tours may extend its guest room check-out time until mid-night at a special late night charge; (iii) only QZ Tours had the option to increase its room allocation in the event that it has secured additional charter flights between Saipan and mainland China; (iv) QZ Tours was given a short cancellation or release date; and (v) only QZ Tours had the option to guarantee a room reservation without providing guest names.

Notwithstanding the difference in the terms we offer to QZ Tours and other independent tour operators set out above, the terms and conditions of the Holiday Package Transactions reflect normal commercial terms negotiated on an arm's length basis. Furthermore, the bulk purchase volume of QZ Tours gives us a stable volume from which we optimize our revenue and yield and hedge our risks against the cyclical and seasonal downside of the leisure tourism market in Saipan.

Given the long term and mutually beneficial collaboration with QZ Tours, the Directors (including the independent non-executive Directors) consider that such Holiday Package Transactions and their respective terms and conditions are on normal commercial terms, are fair and reasonable and are in the interests of the Group and the shareholders as a whole.

QZ Tours is owned as to 99% by Mr. ZHOU Xindong (周新東先生), who is a son-in-law of Dr. Tan Siu Lin (the Chairman of the Board, a Non-Executive Director and a controlling shareholder) and a brother-in-law of Dr. Tan Henry (the Vice Chairman of the Board, an Executive Director, the Chief Executive Officer and a controlling shareholder). QZ Tours is a majority-controlled corporation of a deemed connected person, and hence a connected person of the Company.

The aforesaid agreement with QZ Tours expired on December 31, 2021, 2024 and 2025, respectively and the Company entered into a new framework agreement (the "**1H2026 QZ Framework Agreement**") with QZ Tours on December 11, 2025 for a term of six months ending June 30, 2026. Pursuant to the 1H2026 QZ Framework Agreement, the annual cap for the Holiday Package Transactions as agreed between the Company and QZ Tours for one year ending December 31, 2026 is US\$1,282,000 (the "**2026 QZ Annual Cap**").

Subsequent to the end of the Year, the Company intends to continue to enter into the Holiday Package Transactions contemplated under the 1H2026 QZ Framework Agreement after June 30, 2026. As such, the Company has proposed to renew the 1H2026 QZ Framework Agreement for a further period of six months and revise the 2026 QZ Annual Cap under the 1H2026 QZ Framework Agreement. On March 30, 2026 (after trading hours), the Company entered into the 2H2026 QZ Framework Agreement with QZ Tours for a term of six months from July 1, 2026 to December 31, 2026 on the same terms and conditions as 1H2026 QZ Framework Agreement, save that the revised 2026 QZ Annual Cap shall be US\$3,960,000, subject to and conditional upon the Company's compliance with all applicable provisions of the Listing Rules (including the approval of its independent shareholders as necessary).

- (b) On April 9, 2019, the Company entered into an agreement with TakeCare Insurance Company, Inc. ("**TakeCare**") for a term commencing from April 9, 2019 to December 31, 2021 (subsequently renewed for another term of three years), pursuant to which the Company agreed to purchase medical and dental insurance coverage (the "**Medical Insurance**") for our employees. Under the agreement, our employees also have the option to enhance his/her coverage and benefits and/or extend the Medical Insurance to his/her family members by paying additional insurance premium, which would be settled through our Group initially and deducted from their salary (the "**Additional Coverage**").

TakeCare is one of the leading medical and dental insurers in Saipan and Guam with a sizable network of clinics. In our ordinary and usual course of business, we have been purchasing the Medical Insurance and the Additional Coverage from TakeCare for a long time before the Company's Listing on the Stock Exchange. The Directors believe that such transactions are beneficial to the Group and the shareholder as a whole taking into account the scale and quality of TakeCare's operation in Saipan and Guam as well as the extent of coverage it offers. Besides, the Group is able to leverage on its long-established relationship with TakeCare.

The insurance premium payable by us to TakeCare is determined on a case-by-case basis in arm's length commercial negotiations. The Directors (including the independent non-executive Directors) consider that the terms and conditions under the Medical Insurance and the premium payable reflect normal commercial terms, are fair and reasonable and no less favorable compared to other independent insurers.

TakeCare is a 30%-controlled corporation of Dr. Tan Siu Lin (the Chairman of the Board, a Non-Executive Director and a controlling shareholder) and Dr. Tan Henry (the Vice Chairman of the Board, an Executive Director, the Chief Executive Officer and a controlling shareholder). TakeCare is an associate of a connected person, and hence a connected person of the Company.

The aforesaid agreement with TakeCare expired on December 31, 2021, 2024 and 2025, respectively and the Company entered into a new framework agreement (the "**2026 TakeCare Framework Agreement**") with TakeCare on December 11, 2025. Pursuant to the 2026 TakeCare Framework Agreement, the annual cap agreed between the Company and TakeCare for one year ending on December 31, 2026 is US\$1,250,000.

- (c) On April 9, 2019, the Company entered into an agreement with Cosmos Distributing Co. (Saipan) Ltd. ("**Cosmos Saipan**"), Cosmos Distributing Co., Ltd. ("**Cosmos Guam**") and D&Q Co., Ltd. ("**D&Q**") for a term commencing from April 9, 2019 to December 31, 2021, pursuant to which the Company agreed to procure miscellaneous supplies of consumer goods, such as linens, towels, detergents and food and beverage ingredients, principally for our hotels and resorts operations (the "**Consumer Goods Transactions**"). Cosmos Saipan has ceased to operate since mid-2017 and its wholesale business was transferred to and taken up by D&Q.

Each of Cosmos Guam and D&Q is a consumer goods wholesaler in Guam and Saipan of significant scale. The terms and conditions of the Consumer Goods Transactions are determined on a case-by-case basis based on arm's length commercial negotiations and the amounts payable by us to Cosmos Guam and D&Q under the Consumer Goods Transactions have been more favorable to us compared to our other independent suppliers. The Directors confirm that the terms and conditions under the Consumer Goods Transactions reflect normal commercial terms, are fair and reasonable and no less favorable compared to other independent consumer goods wholesalers.

Report of Directors

Given the scale of the operation and the quality of supplies of Cosmos Guam and D&Q in Guam and Saipan, the Directors further consider that the Consumer Goods Transactions are in the interests of our Group and the shareholders as a whole.

Each of Cosmos Guam and D&Q is a 30%-controlled corporation of Tan Holdings (a controlling shareholder) and an associate of Mr. Chiu George (an Executive Director). Each of Cosmos Guam and D&Q is an associate of a connected person, and hence a connected person of the Company.

The aforesaid agreements expired on December 31, 2021, 2024 and 2025, respectively and the Company entered into new framework agreements (the **"2026 Consumer Goods Framework Agreements"**) with Cosmos Guam and D&Q on December 11, 2025. Pursuant to the 2026 Consumer Goods Framework Agreements, the annual cap agreed between the Company, Cosmos Guam and D&Q for one year ending on December 31, 2026 is US\$151,000.

- (d) On April 9, 2019, the Company entered into an agreement with Beach Road Tourism Development, Inc. (**"Beach Road Tourism"**), L&T Group of Companies, Ltd. (**"L&T Group"**) and Luen Thai International Development Limited (**"Luen Thai International"**) in relation to the leasing of certain premises as travel retail boutiques, a souvenir and amenities store, a burger joint, a warehousing unit in Saipan, and our corporate headquarter in Hong Kong, for a term commencing from April 9, 2019 to December 31, 2021 (subsequently renewed for two further terms of three years each). The Company, as landlord, has also entered into a concession agreement with Strategic Gaming Solutions, Inc. (**"Strategic Gaming"**), to lease premises within our Kanoa Resort as an amusement and gaming center operated by Strategic Gaming, for a term commencing from April 9, 2019 to December 31, 2021 (subsequently not renewed as Kanoa Resort had assisted the CNMI Homeland Security and Emergency Management under an emergency contract and remained closed since the completion of the emergency contract in July 2022. Kanoa Resort was returned to the Department of Public Lands of the CNMI upon the expiry of the land lease on June 15, 2025.) (the said tenancy agreements and concession agreement together, the **"Connected Tenancy Agreements"**).

Each of Beach Road Tourism, L&T Group, Luen Thai International and Strategic Gaming, has been leasing properties to/from the Group since the Listing. The Directors believe that such lease arrangements are for cost efficiency and for better utilization of the Group's premises, which are beneficial to the Group and the shareholders as a whole.

Given the prime location of the premises and the level of rental and other income received or paid by us, the Directors further consider that the leasing arrangements and their respective terms are on normal commercial terms, are fair and reasonable and are in the interests of our Group and the shareholders as a whole.

Each of Beach Road Tourism, L&T Group, Luen Thai International and Strategic Gaming is a 30%-controlled corporation and an associate of Tan Holdings (a controlling shareholder), Dr. Tan Siu Lin (the Chairman of the Board, a Non-Executive Director and a controlling shareholder) and Dr. Tan Henry (the Vice Chairman of the Board, an Executive Director, the Chief Executive Officer and a controlling shareholder). Each of Beach Road Tourism, L&T Group, Luen Thai International and Strategic Gaming is an associate of a connected person, and hence a connected person of the Company.

- (e) On April 9, 2019, the Company entered into an agreement with CTSI Holdings Limited and its subsidiaries (the **"CTSI Group"**) for a term commencing from April 9, 2019 to December 31, 2021 (subsequently renewed for another term of three years), pursuant to which the Company procures warehousing, international freight forwarding, customs clearance and local courier services for our fixtures, furniture, retail merchandises and miscellaneous supplies and documents (the **"Freight and Logistics Transactions"**).

The CTSI Group is a logistics and freight service provider in Saipan and Guam of significant scale. The terms and conditions of the Freight and Logistics Transactions are determined on a case-by-case basis based on arm's length commercial negotiations. The Directors believe that the terms and conditions under the Freight and Logistics Transactions reflect normal commercial terms, are fair and reasonable and no less favorable compared to other independent logistics and freight service providers.

Given the scale of the operation and the quality of the freight forwarding services provided by CTSI Group in Saipan and Guam, the Directors further believe that the Freight and Logistics Transactions are in the interests of our Group and the shareholders as a whole.

Each of CTSI Holdings Limited and its subsidiaries is a 30%-controlled corporation of a connected person of the Group and an associate of Dr. Tan Henry (the Vice Chairman of the Board, an Executive Director, the Chief Executive Officer and a controlling shareholder). Each of CTSI Holdings Limited and its subsidiaries is an associate of a connected person, and hence a connected person of the Company.

The aforesaid agreement with CTSI Group expired on December 31, 2021, 2024 and 2025, respectively and the Company entered into a new framework agreement (the **"2026 CTSI Framework Agreement"**) with the CTSI Group on December 11, 2025. Pursuant to the 2026 CTSI Framework Agreement, the annual cap agreed between the Company and the CTSI Group for one year ending on December 31, 2026 is US\$265,000.

The Company has conducted a review of its continuing connected transactions and confirmed that all such transactions had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Confirmations from the independent non-executive Directors and auditor

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the aforesaid continuing connected transactions and have confirmed that these continuing connected transactions (i) were entered into in the ordinary and usual course of business of the Group; (ii) were either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and (iii) were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with "Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company confirmed that the above transactions were approved by the Board, were in accordance with the pricing policies of the Company, and were entered into under respective agreements that regulate such transactions and did not exceed any of the relevant caps as mentioned in the relevant agreements and announcements of the Company. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 32 to 34 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

The Company confirmed that, save as disclosed above:

- (i) there were no subsisting contracts of significance to which the Company or any of its subsidiaries was a party and in which any one of the Directors of the Company had a material interest, whether directly or indirectly, at the end of the Year or at any time during the Year; and
- (ii) there were no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

PERMITTED INDEMNITY PROVISION

Article 164(1) of the Articles provides that every Director or other officer of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against actions, costs, charges, losses, damages and expenses as a result of any act or failure to act in the execution of their duty. The Company has also maintained Directors' and officers' liability insurance during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the Year. As at December 31, 2025 and the date of this annual report, the Company does not hold any treasury shares.

Report of Directors

PUBLIC FLOAT

As of the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, there were no competing business of which a Director had a material interest, whether directly or indirectly, subsisting at the end of the Year or at any time during the Year which is required to be disclosed.

CORPORATE GOVERNANCE

The Corporate Governance Report of the Company is set out in pages 103 to 120 of this annual report.

AUDITOR

The consolidated financial statements for the Year have been audited by Messrs. Ernst & Young. A resolution will be submitted to the forthcoming AGM of the Company to re-appoint Messrs. Ernst & Young as the auditor of the Company.

On behalf of the Board

TAN Henry, *SBS, BBS, JP*
Vice Chairman of the Board,
Executive Director and Chief Executive Officer

March 30, 2026

Principal Risks and Uncertainties

The Group's business operations and results may be affected by various factors, some of which are external causes, and some are inherent to the business. There are several principal risks and uncertainties which may directly or indirectly affect the Group's business operations, financial conditions and future business prospects. The magnitude of the impact on the Group arising from these risks depends on the severity, duration and locality of the relevant event should it occur. There are also risks that are not significant now but can turn significant, risks that we are not aware of and/or new risks that may emerge in the future. Outlined below are the several principal risks and uncertainties that may affect the Group, but this list is not intended to be exhaustive or comprehensive:

1. Macro-economic and political environment

The Group is one of the leading leisure tourism groups in Saipan and Guam. Our business is particularly sensitive to the general macro-economic and political environment, which could affect levels of discretionary leisure tourism and tourist spending. In particular, the number of tourists traveling and the amount they spend on holidays could decrease if disposable income reduces, sales taxes or value-added taxes increase, unemployment rate increases, transport and fuel costs increase, or the spending habits of tourists change in response to uncertain economic conditions. We closely monitor changes in the macro-economic environment and endeavor to adjust our business plans in a timely manner.

2. Tourist Arrivals

The Group's business depends on the number of tourist arrivals in Saipan and Guam, which is highly reliant on the schedule and price of the flights to and from Saipan and/or Guam. These flights could be regular flights or chartered flights. Suspension or reduction in the frequency of direct flights from a key tourist origin market, such as Mainland China, South Korea and/or Japan, could significantly reduce the number of tourist arrivals from these markets. In turn, our results of operations might be adversely affected and the competition in the leisure tourism market in Saipan and Guam might intensify. The Group does not have any contractual relationship with airlines and control over their business decisions on flight operations and pricing. Nevertheless, we actively encourage the airlines to develop new flight routes from our key tourist origin markets with a view to facilitate a general increase in the number of air seats to and from Saipan and/or Guam.

3. Human Resources

The Group's operations in Hotels & Resorts Segment is labor-intensive. Our success depends in large on our ability to attract, retain, train, manage and engage employees. The level of services we provide to our guests depend a significant degree on the quality and skillset of our staff (including our temporary and full-time employees and our casual staff). The failure to attract, retain, train, manage and engage skilled employees could reduce guest satisfaction and thus have a material adverse effect on our business, results of operations and financial conditions. Staffing shortages could also hinder our ability to grow and expand our businesses. A shortage of skilled employees could also require higher wages that would increase our personnel costs and could adversely affect our profits. The Group monitors labor market conditions on a regular basis to ensure our employment terms are both reasonable and competitive while maintaining our high quality of services.

Principal Risks and Uncertainties

4. Legal and Compliance

The Group is committed to complying with all relevant legal, regulatory and contractual requirements, which gives rise to compliance costs.

The Group's Hotels & Resorts Segment has two hotel management agreements with our Hotel Manager, each of which has a term of 25 years from its commencement date with two options to renew for an additional 5 years each. During the term of the hotel management agreements, we are subject to a number of terms and obligations which may restrict our hotels and resorts business operations. Failure to observe the terms of the hotel management agreements may give rise to the Hotel Manager's right to prematurely terminate the hotel management agreements with 30 days' notice.

The Group's Luxury Travel Retail Segment has a number of franchise and distribution agreements with brand owners which typically have a fixed term of 4 to 5 years. During the term of these agreements, we are subject to a number of terms and obligations which may restrict our travel retail business operations, expansion and future prospects. Failure to observe these terms may give rise to the brand owners' rights to prematurely terminate the franchise and distribution agreements with a nil to 60 days' notice.

During the Year, the Group has bank facilities of US\$48,000,000. As of the date of this annual report, the full amount of the facilities was drawn to finance the renovation and upgrade works that have been carried out to Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam. The two hotels had their grand openings on October 31, 2022 and March 28, 2023, respectively. Pursuant to the terms and conditions of the facilities with the bank, the Group is subject to certain undertaking clauses including but not limited to financial covenants and completion of the renovation and upgrade works of Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam at an agreed date. Failure to observe these covenants may allow the bank to request for immediate repayment of all outstanding bank borrowing drawn under the facility.

The Group actively engages external professional advisors to advise on relevant legal, regulatory and contractual requirements to ensure compliance. The Group also actively negotiates with the bank in order to obtain waivers for relevant undertaking clauses which may potentially be breached in order to avoid the bank from requesting for immediate repayment and such that the bank facility will continue to be available to the Group.

5. Disaster Events

The Group's leisure tourism business will be materially and adversely affected by natural disaster events such as super typhoon or flooding. Other disaster events include acts or threats of terrorism, wars, travel-related accidents, outbreak of contagious diseases or other catastrophic events. Depending on the severity, duration and locality, such events could severely disrupt the Group's business operations and cause damages to our properties. Such events, or a general apprehension of such events, may also significantly and adversely affect travel sentiments and reduce demand for tourism products and services in the affected destination. The Group regularly conducts risk assessment, and has taken out comprehensive insurance covering our properties, business operations and third-party liabilities.

The global outbreak of COVID-19 in 2020 is an example of such disaster events, which has also caused changes in the macro-economic environment, dampening of global travel sentiment, decrease in flight availability and hence tourist arrivals, as well as changes in local laws and regulations (including but not limited to travel bans and mandatory quarantine requirements).

Although the global tourism industry has been recovering, the extent of the impact of the COVID-19 pandemic on the Group's business operations and financial results, in particular the decreased availability of flights, remains a principal risk and continues to create uncertainties for our Group's business operations and financial results.

Environmental, Social and Governance Report

BOARD STATEMENT

Dear Stakeholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of S.A.I. Leisure Group Company Limited (the “**Company**”) which together with its subsidiaries, collectively, the “**Group**”), I am pleased to present the Environmental, Social and Governance Report (the “**ESG Report**”) of the Group for the year ended December 31, 2025 for the purpose of demonstrating the Group’s policies, practices, measures and performance on environmental, social and governance (“**ESG**”) areas.

The Group is committed to implementing various initiatives to address the ESG (including climate-related) concerns, recognizing that all of us, as well as our future generations could be affected by ESG issues and sustainability challenges. As such, as an influential listed company, the Board has the responsibility to evaluate and determine the Group’s ESG-related (including climate-related) risks and ensure that appropriate and effective ESG risk management and internal control systems are in place. Consequently, sound ESG practices can indeed create value for the Group’s development.

The ESG Report demonstrates the Group’s continuous commitments to strengthen its performances in sustainability, such as environmental performance and targets, corporate governance, community engagement, customers’ satisfaction and employee welfare of the Group.

The Board is responsible for the implementation of ESG initiatives and monitoring of the effectiveness of ESG (including climate-related) strategies, directions and policies of the Group. The Board believes that an effective corporate governance structure is important for successfully integrating and managing its sustainability initiatives to drive the Group’s business development. In order to effectively manage and monitor the Group’s ESG performances, the Board has identified the ESG-related issues and potential risks and would analyze and review the ESG risks and opportunities, performance, progress, goals and the ESG-targets of the Group on a regular basis.

The Board will also ensure the effectiveness of the Group’s ESG risk management and internal control system and actively communicate with internal and external stakeholders to understand their expectations and requirements. The Board believes that the Group’s ESG engagement will significantly benefit the long-term development of the Group. The Board will continue to review and monitor the Group’s ESG performance and provide consistent, comparable and reliable ESG information to the stakeholders on an annual basis.

On behalf of the Board

Henry Tan, SBS, BBS, JP

Vice Chairman of the Board, Executive Director and Chief Executive Officer

Hong Kong, March 30, 2026

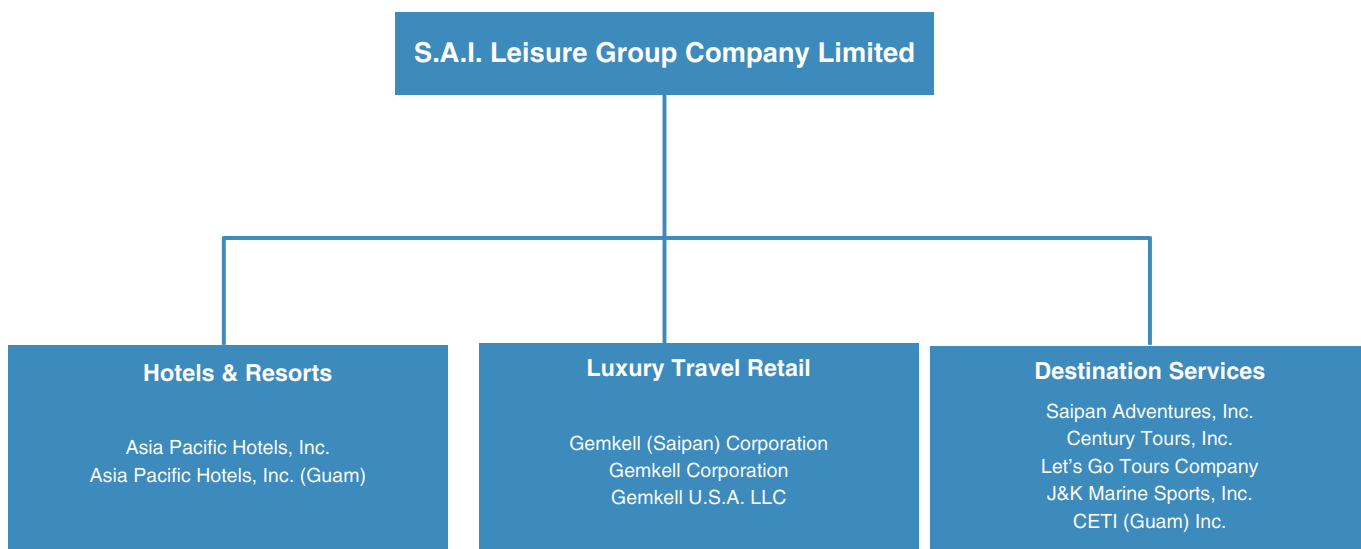
Environmental, Social and Governance Report

ABOUT THIS REPORT

S.A.I. Leisure Group Company Limited (hereafter the “**Company**” or “**S.A.I.**”) with its subsidiaries (collectively the “**Group**”, “**we**” or “**our**”) is pleased to publish its environmental, social and governance (“**ESG**”) report (the “**Report**”) summarizing our management approach, initiatives and performance of the ESG issues during the period from January 1, 2025 to December 31, 2025 (the “**Reporting Period**” or “**2025**”).

Reporting Scope

The scope of this ESG Report covers the Group’s corporate headquarters in Hong Kong and leisure tourism operations in Saipan, Guam and Hawaii, territories of the U.S., under the three business segments of Hotels and Resorts, Luxury Travel Retail and Destination Services for the year 2025. Unless otherwise specified, the data includes the following subsidiaries and the scope of the ESG Report remains the same as that in previous years.



Environmental, Social and Governance Report

Reporting Standard

This Report has been created in line with the most recent requirements of the ESG Reporting Code specified in Appendix C2 of the Listing Rules. In crafting the content of the Report, the Group follows the key reporting principles of materiality, quantitative, balance, and consistency as detailed in the HKEx ESG Reporting Code.

Reporting Principles	Description
Materiality	The identification of material topics involved internal deliberations and engagement with key stakeholders. The materiality matrix and specifics of stakeholder involvement are depicted in a subsequent section of the ESG Report. For the purpose of Part D of this Code, the Group discloses information about climate-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or cost of capital over the short, medium or long term.
Quantitative	All environmental and social key performance indicators (“ KPIs ”) presented in the ESG Report were computed following standardized methodologies, with robust approaches detailed in relevant sections.
Balance	Data comparisons across multiple years are included in the report to provide a fair and unbiased assessment of our ESG performance over time.
Consistency	The ESG Report has been compiled using consistent reporting scopes and methodologies compared to previous years. We maintain a uniform approach to environmental and social data management to ensure a fair evaluation of our performance over time.

The Board of Directors (the “**Board**”) has acknowledged its responsibility to oversee the Group’s sustainable development and ensured that appropriate and effective ESG risk management and internal control systems are in place. The ESG Report has been reviewed and approved by the Board.

Contact & Feedback

The Group values your feedback and opinion on the ESG Report. Please feel free to contact us with the contact information below:

S.A.I. Leisure Group Company Limited
5/F Nanyang Plaza
57 Hung To Road, Kwun Tong
Kowloon, Hong Kong

Email: info@saileisuregroup.com
Company website: www.saileisuregroup.com

Environmental, Social and Governance Report

ABOUT THE GROUP

S.A.I. is all about “Sea, Air and Island”, because we are experts in leisure tourism across all those areas, offering our guests memorable and unique holiday experiences.

We are one of the leading leisure tourism groups in the tropical islands of Saipan and Guam. Our Group was founded in 1997 by Dr. Tan Siu Lin, our Chairman, and Dr. Henry Tan, our Vice Chairman and Chief Executive Officer (“**CEO**”), we grew from a single hotel property to a diversified leisure tourism business.

The S.A.I. of today focused our effort in providing unique, full-range, one-stop tourism products and services to bring fantastic end-to-end holiday experiences to all travelers.

Hotels and Resorts

In our Hotels and Resorts Segment, our beachfront resorts, Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam, are premium destinations that offer a wide array of services, including leisure and entertainment, meetings and events, dining and accommodation.

Kanoa Resort has not been in operation since July 2022 and remained closed since then. On March 27, 2025, after careful consideration as regards the pace of recovery of the leisure market of Saipan and the substantial amount of capital expenditure required for the renovation and rebranding of Kanoa Resort, the Group has decided not to renew the land lease of Kanoa Resort upon its expiry on June 15, 2025. Accordingly, Kanoa Resort was permanently closed and the property was returned to the CNMI Department of Public Lands on the lease expiry date. In the meantime, Century Hotel provides affordable accommodation along with food and beverage services designed to cater both budget-conscious and business travelers.

We have engaged IHC Hotel Limited, an indirectly wholly-owned subsidiary of InterContinental Hotels Group (“**IHG**”) as our Hotel Manager to manage the two Crowne Plaza resorts and their daily operation. This long-term Hotel Management Agreement (HMA) solidifies our operational stability and premium brand alignment, as well as anchors our commitment to delivering world-class hospitality services across our destinations. Riding on the dedication and expertise of IHG in running a responsible hospitality business, we share the same vision as IHG to make a positive impact on the world around us while building our business. We care and devote ourselves to build better communities, better environment and better lives.

Luxury Travel Retail

As of the date of this ESG Report, we offer a collection of six prestigious brands within the Group’s Luxury Travel Retail Segment, giving our customers a wide range of high-quality clothing, leather products, and fashion accessories. The franchise agreements between various brands and the Group in relation to the operation of luxury travel retail boutiques in Saipan expired on December 31, 2025. Starting from year 2026, we operate a total of eight boutiques in Guam and Hawaii. In particular, all boutiques in Guam were newly renovated and have been relocated to stronger retail spaces. Each boutique functions as an independent “Concept Store” dedicated to a single brand.

Destination Services

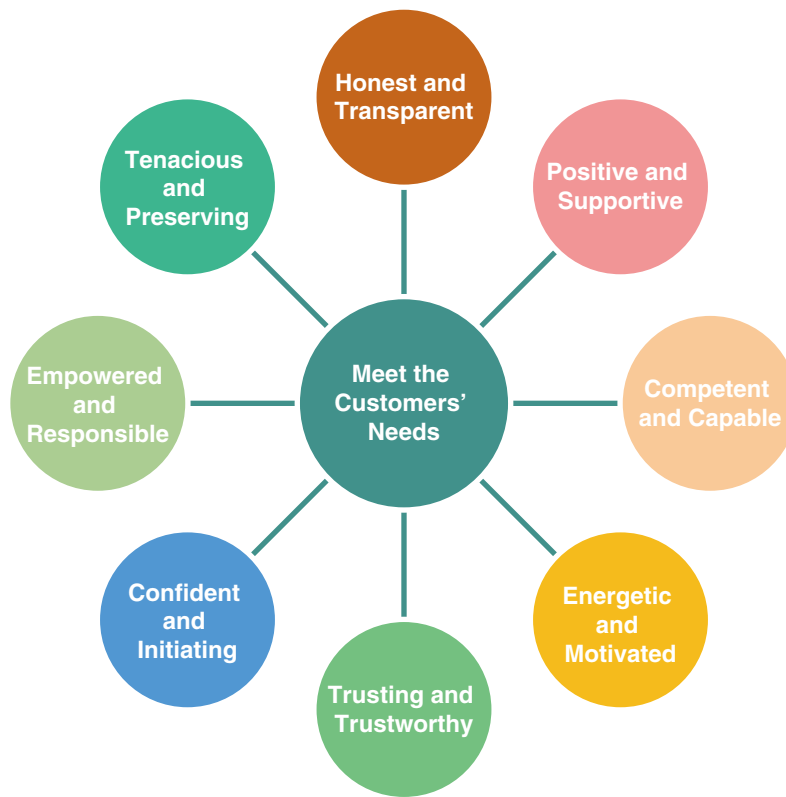
Our popular excursion tour under the Destination Service Segment features SeaTouch along with several new activities, such as Standing Paddleboard rentals, Lagoon Cruises, and visits to the Sand Bar. Aside from that, souvenir and amenities shops remain operation within the hotel premises of the two Crowne Plaza resorts. The souvenir and amenities shop located inside Crowne Plaza Resort Saipan occupies a spacious retail area and offers hotel guests commodities in more variety. The Group strives to optimize our customers’ experiences by providing comprehensive one-stop tourist services.

Environmental, Social and Governance Report

CORPORATE VALUES

Value	We respect humanity and do the right things.
Accountability	We are responsible to each other and to all those we serve.
Learning	We continually expand our minds to enhance our performance, cope with the change in market trends and growth.
Unity	We work together in harmony to achieve our common goals.
Empowerment	We have the strength to follow through on our commitments.
Satisfaction	We render our guests a feeling of wanting to return.

To distinguish ourselves from competitors and maintain agility in responding to evolving market dynamics, we are guided by eight core corporate values that define our ESG identity and commitments. These values serve as the foundation of our ESG strategies, empowering us to deliver outstanding services while addressing the needs of all stakeholders. By embedding these principles into daily operations and long-term strategic planning, we establish ourselves as a leader in responsible business practices — well-positioned to tackle future challenges while creating lasting positive value for society and the environment.

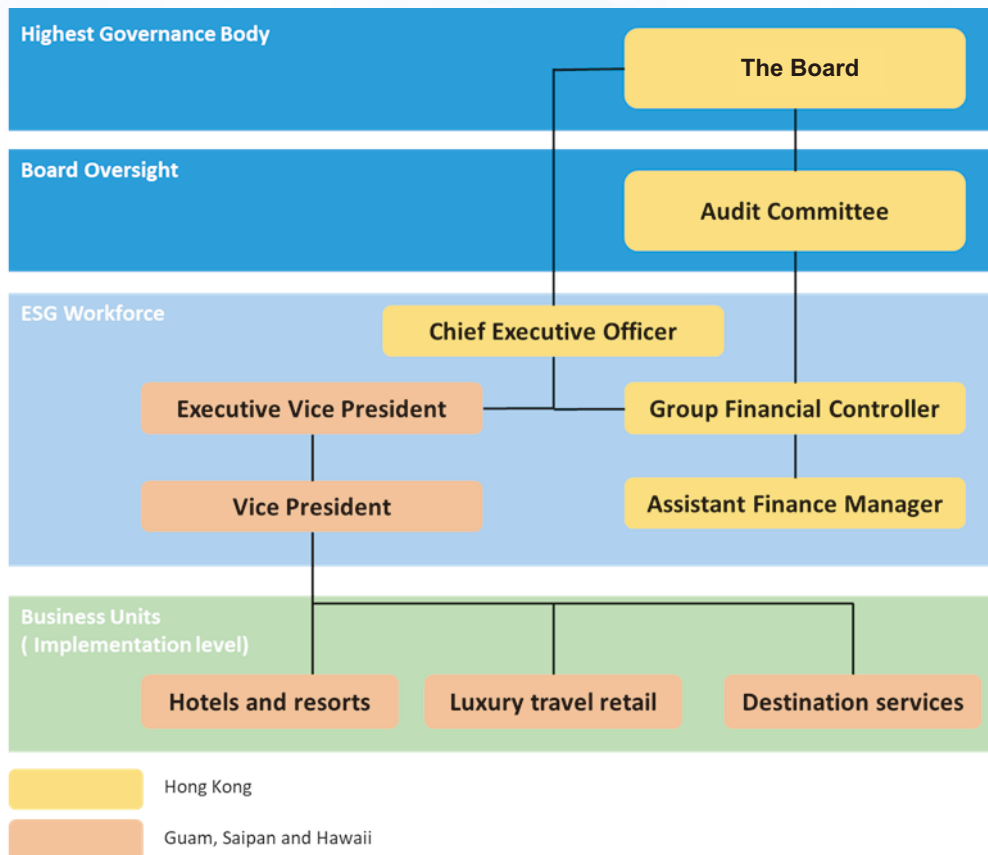


Environmental, Social and Governance Report

ESG GOVERNANCE

An effective corporate governance framework strengthens our oversight and management of ESG issues. The Group has implemented an ESG governance structure consisting of four management tiers with clearly defined responsibilities to ensure the accountability of the policy implementation and enhance ESG performance.

Governance Structure:



The Board

- Supervises ESG (including climate-related) matters within the Group.
- Establishes ESG management approaches, strategies, priorities, and objectives.
- Periodically assesses the Group's performance against ESG-related goals and targets.
- Reviews and approves Reports.
- Identifies and addresses ESG-related (including climate-related) issues, risks, and opportunities.
- Ensures the efficiency of ESG risk management and the risk management system.

Audit Committee

- Ensures high-quality and timely disclosure of investor-grade information covering climate-related issues and ensures compliance with new regulations.
- Oversees operational risks, integrates climate-related risks into the enterprise risk management framework, prioritises such risks, and reports annually to the Board.
- Follows up on and addresses non-compliance incidents.

Environmental, Social and Governance Report

Chief Executive Officer

- Approve the Group's ESG (including climate-related) management approaches, strategies, priorities and objectives.
- Lead the ESG Workforce to formulate the Group's short and long-term sustainability goals and ESG (including climate-related) key performance indicators (KPIs).
- Periodically assess the Group's performance against ESG (including climate-related) goals and targets to review overall performance.
- Conduct reviews and make recommendations to the Board on the Group's ESG (including climate-related) strategies, priorities and targets.

Executive Vice President

- Drive ESG (including climate-related) strategies implementation across business units and cross-functional teams for consistency and allocate resources for sustainability projects.
- Set ESG strategic goals and short-term KPIs, as well as supervise ongoing performance measurement and reporting.
- Develop ESG action plans with the ESG Workforce, set unit-specific ESG targets, and build global/local ESG monitoring systems.

Group Financial Controller

- Coordinate Group-wide ESG (including climate-related) implementation, and supervise business units' ESG execution with improvement plans.
- Oversee ESG strategies execution, guide adjustments, and ensure ESG policies comply with regulations and best practices.
- Lead annual ESG report compilation, materiality assessment and roadmap formulation, and build the Group's ESG reporting system.
- Engage in ESG communication with investors and key stakeholders, advise senior management on industry trends, and optimize ESG policies and processes.
- Organize ESG training for the Board to enhance its ESG professional knowledge and capabilities.

Vice President, Human Resources

- Manage ESG data governance and risk assessments and ensure the implementation of mitigation measures for global and local ESG risks.
- Develop Group ESG program targets and auditable tracking processes as well as formulate relevant ESG policies and programs.
- Organize employee ESG training to raise awareness, and provide technical and administrative support for ESG work in regional business units.
- Build and maintain stakeholder relationships, handle internal ESG enquiries, and drive sustainability initiatives across business units.

Assistant Finance Manager

- Drive the Group's sustainability project implementation to align with ESG (including climate-related) strategies, and coordinate regional ESG execution.
- Support ESG report preparation, oversee data collection & analysis, and manage ESG disclosures and communications.
- Conduct ESG performance benchmarking, track global/industry sustainability trends, and support ESG materiality assessment and reporting.
- Assist the ESG team's overall work, prepare reports or presentations of ESG risk management results to the Board, facilitate ESG meetings and monitor compliance requirements.

The Group has established a formal mechanism for appointing qualified directors and senior managements to join our Group. It will also provide targeted training to strengthen the climate-related expertise of the Board and management.

The ESG Workforce reviews the Group's annual ESG (including climate-related) performance and progress, and reports to the Board with recommendations. The Board oversees the effectiveness of the implementation of the ESG strategy, ensures alignment with business objectives, and approves the annual ESG Report.

The Group is committed to balancing business growth, community interests and environmental protection by embedding sustainability into our strategy and operations.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

Integrating sustainability into our daily operational strategies necessitates a comprehensive understanding of stakeholders' expectations, concerns, and requirements relating to the Group's ESG performance. We place great emphasis on maintaining open dialogue to gain insights into diverse needs, perspectives, and objectives. A variety of communication channels have been established to facilitate ongoing and consistent engagement with both internal and external stakeholders. The key communication channels and areas of concern are listed as follows:

Stakeholder groups	Communication channels	Areas of concerns
Government and regulators	<ul style="list-style-type: none"> – Direct meetings with relevant departments – Official reports – Regulatory filings – Forums, conferences and workshops 	<ul style="list-style-type: none"> – Compliance with regulations – Sustainability initiatives in line with government policies
Investors and shareholders	<ul style="list-style-type: none"> – Annual reports – Company website – Company's announcements – ESG Report – Shareholder meetings 	<ul style="list-style-type: none"> – Financial performance – ESG integration – Risk management – Long-term strategy – Impact on shareholder value
Customers	<ul style="list-style-type: none"> – Company website – Social media platforms – Customer survey – Customer service reception – Mailbox 	<ul style="list-style-type: none"> – Product sustainability – Ethical sourcing – Transparency in business practices – Customer data privacy – Responsiveness to feedback
Employees	<ul style="list-style-type: none"> – Training and orientation – Email and opinion box – Regular meetings – Employee performance evaluation – Employee activities 	<ul style="list-style-type: none"> – Workplace diversity – Health and safety – Fair labor practices – Career development opportunities – Company values alignment
Suppliers and business partners	<ul style="list-style-type: none"> – Regular communication with business partners (e.g. email, meetings, on-site meetings etc.) – Procurement process – Supplier codes of conduct – Supplier surveys 	<ul style="list-style-type: none"> – Supply chain transparency and procurement standard – Operation management – Ethical sourcing – Fair treatment of workers
Non-governmental organizations (“NGOs”)	<ul style="list-style-type: none"> – Email – Phones – Charity donation – Voluntary services 	<ul style="list-style-type: none"> – Environmental impact – Social responsibility, community engagement – Alignment with global sustainability goals – Transparency in operations
Community	<ul style="list-style-type: none"> – Community events – Social media engagement 	<ul style="list-style-type: none"> – Community engagement – Philanthropic initiatives – Job creation – Responsiveness to community needs

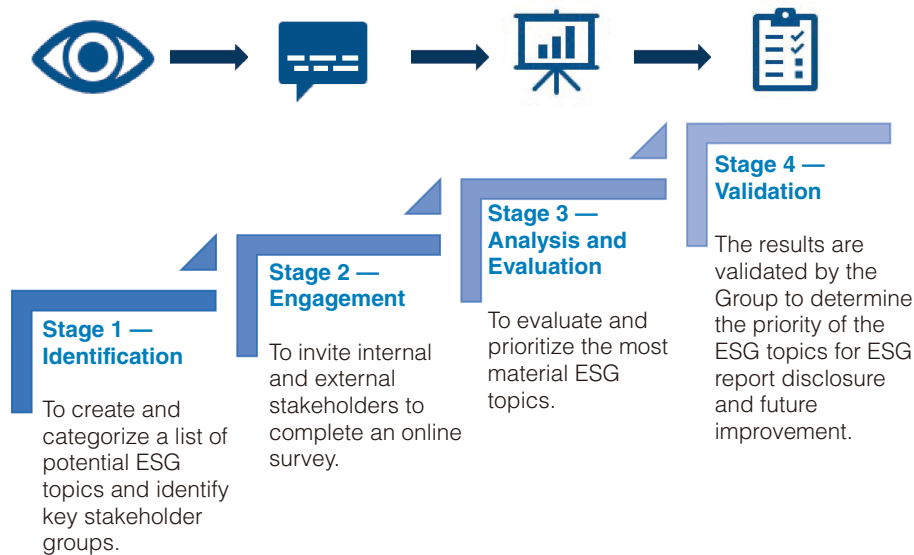
Environmental, Social and Governance Report

Stakeholder groups	Communication channels	Areas of concerns
Media	<ul style="list-style-type: none"> — Company website — Company’s announcements — Social networking platforms 	<ul style="list-style-type: none"> — Compliance status — Environmental protection — Labor rights — Business integrity

MATERIALITY ASSESSMENT

In order to identify the Group’s material ESG topics and formulate targeted sustainable development strategies, we engaged an independent consultant to conduct a formal materiality assessment through an online survey. The survey was distributed to both internal and external stakeholders, who were requested to evaluate thirty-four ESG topics against their importance and relevance to the Group’s operations and stakeholder expectations. These topics cover labor practices and human rights, product responsibility, operational management, community engagement, as well as the Group’s overall ESG performance. The materiality assessment process is detailed below:

Process



Stakeholder engagement has supported the Group in identifying the key material topics that shape our sustainability strategy, laying a solid foundation for the implementation of our sustainable development initiatives. This process enables us to strengthen our operations and enhance decision-making on critical issues, taking into account both internal and external perspectives.

Environmental, Social and Governance Report

Materiality Matrix

Based on the stakeholder evaluation scores for individual ESG topics, material ESG issues have been prioritized and presented in the materiality matrix below. Topics located in the upper-right quadrant of the matrix are identified as critical to the Group's business operations and of paramount importance to our stakeholders. The Group remains committed to the systematic integration of ESG principles into its business operations and policies.



Environment	Social	
	Employment	Operation
1. Air emission	15. Labor rights	24. Customer satisfaction
2. Greenhouse gas emission	16. Labor/Management relations	25. Customer service quality and complaints handling
3. Decarbonization	17. Employee retention	26. Customer health and safety
4. Conversion of ecosystem	18. Diversity and equal opportunity	27. Marketing and product and service labelling compliance
5. Nature-related risk and opportunity management	19. Non-discrimination	28. Intellectual property
6. Circular economy	20. Occupational health and safety	29. Customer privacy and data protection
7. Environmental data management	21. Employee training	30. Responsible supply chain management
8. Climate change mitigation	22. Employee development	31. Fair operating practices on supplier
9. Climate risk management	23. Prevention of child labor and forced labor	32. Ethical business
10. Energy efficiency		33. Socio-economic compliance
11. Water & effluents		Community
12. Use of materials		34. Community involvement
13. Waste management		
14. Environmental compliance		

Environmental, Social and Governance Report

The materiality assessment delivers critical insights into the ESG-related risks and opportunities inherent in the Group's business operations. Such insights facilitate the formulation of targeted strategic initiatives addressing key ESG issues and support the effective allocation of resources. Furthermore, the assessment enables the Group to align its practices with stakeholder expectations, thereby strengthening stakeholder confidence and satisfaction. By utilizing the materiality assessment to steer our ESG strategy, we are able to generate sustainable value for stakeholders, manage potential risks, and drive positive social and environmental outcomes. The key issues identified through the materiality assessment are outlined below:

Main concerns from stakeholders	Our responses in section
Customer satisfaction	We are committed to delivering high-quality services to all guests through a customer-centric approach and structured training. We proactively collect and value guest feedback, which is carefully reviewed by management to ensure continuous enhancement in customer satisfaction. Our Employee Handbook provides clear guidance for staff to handle customer complaints with empathy and professionalism, enabling effective and efficient resolution.
Customer privacy and data protection	The Group is committed to protecting customer privacy and personal data across all operations, in compliance with applicable privacy laws and regulations. We have implemented clear privacy policies, robust data security systems, and strict access controls to prevent unauthorized access, breaches and misuse. All staff receive regular training on data protection and confidentiality requirements, supported by internal policies and procedures. We conduct periodic third-party vulnerability testing to maintain compliance with industry security standards and have established incident reporting and investigation processes to uphold customer trust and ensure the effectiveness of data protection.
Customer health and safety	We fully comply with all OSHA standards and have implemented an OSHA Inspection Policy to safeguard the health and safety of our guests. Comprehensive emergency procedures are established to protect personnel and mitigate potential risks. We also provide accessible health and safety information through our official website and Tenant Handbook. Additionally, a thorough safety demonstration is conducted before any activities begin, with staff checking safety gear to ensure adherence to our Water Sports Safe Operating Procedures. Instructors deliver specific safety briefings to ensure all participants understand and follow safety protocols, while also verifying the proper use of protective equipment.
Employee training	We are committed to employee training and development across all business segments. We provide new hires with comprehensive orientation on corporate values, policies and job requirements. Performance appraisals were conducted regularly with employees to identify their area of improvement and finetune personalized career path within the Group. Ongoing learning programs and specialized training were organized to enhance relevant work skills and technical knowledge. With feedback mechanisms to refine training, we support employees' growth and ensure a skilled workforce for operational excellence.
Occupational health and safety	Within the Workplace Health and Safety framework, we enforce a strict policy prohibiting smoking, drug use and alcohol consumption within our premises. We fully comply with OSHA standards to maintain safe, hazard-free working environments and safeguard employee well-being.

Environmental, Social and Governance Report

CORPORATE GOVERNANCE

The Group has established formal Corporate Policies and Procedures to articulate its core principles and governance framework for environmental protection and sustainable development. These policies and procedures apply to all entities within the Group.

We are committed to integrating environmental and social considerations into our business strategies, recognizing their notable impact on long-term sustainable growth and financial performance. We systematically monitor key environmental and social performance indicators and share results with relevant business unit leaders to continuously enhance policy effectiveness and operational efficiency. The Group also proactively engages internal and external stakeholders in its sustainability initiatives, collecting feedback to drive ongoing improvement.


Our operations adhere to the Corporate Governance Code outlined in Appendix C1 of the Listing Rules. For more details regarding our Board and governance frameworks, please refer to the Corporate Governance Report in this annual report, specifically on pages 103 to 120.

CARE FOR OUR EMPLOYEES

The Group recognizes its employees as its most valuable assets. Their dedication and contributions constitute the fundamental driving force behind our corporate success and sustainable growth. Top priority was set to safeguarding their well-being, career development, health and safety. The Group strictly adheres to all applicable laws and regulations in all operating regions.

As a responsible employer with operations spanning the West Pacific region, the Group is committed to full compliance with all pertinent employment and immigration legislation. During the Reporting Period, a total of eleven CW-1 applications were submitted. Leveraging on our expertise in CW-1 visa processing, nine incumbents have successfully approved their CW-1 applications, whilst two remain in progress at different stages of consular interview and immigration procedures. Our human resources team continuously monitors the application process and works to facilitate employees' prompt return and smooth reintegration. We maintain responsible workforce practices by ensuring that all our employees possess current and valid work authorization documentation.

During the Reporting Period, no material incidents of non-compliance were recorded in Hong Kong, Saipan, Guam or Hawaii relating to laws and regulations governing remuneration and termination, recruitment and promotion, working hours and rest periods, equal opportunities, diversity, anti-discrimination, and other employee benefits and welfare.

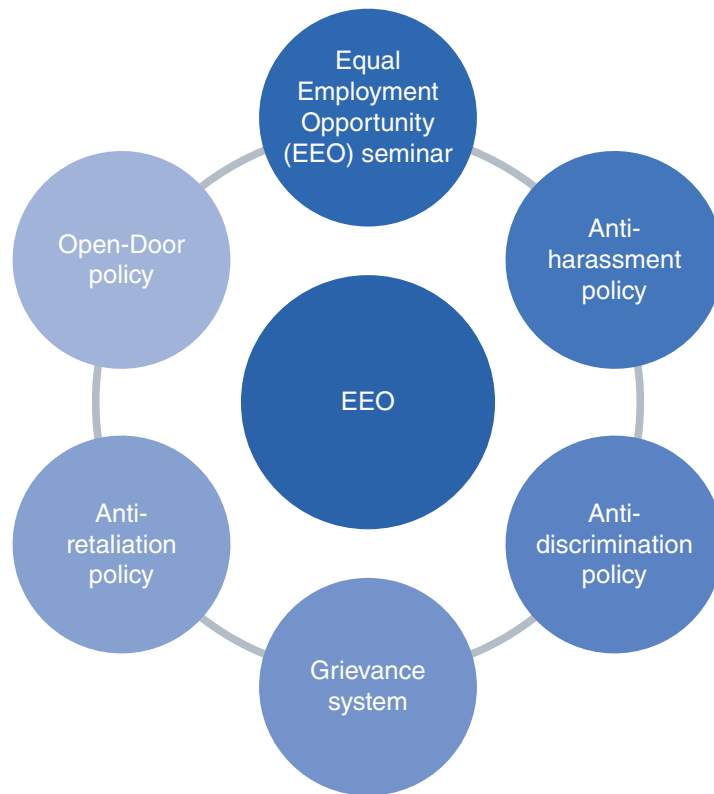
Aspect	Relevant Laws and Regulations	Jurisdiction
 <p>Employment and Labor Standards</p>	Federal Fair Labor Standards Act	US
	Guam Minimum Wage and Hour Act	Guam
	Family and Medical Leave Act	US
	Guam Child School-Related Leave Act	Guam
	Worker's Compensation Law of Guam	Guam
	Title VII of the Civil Rights Act of 1964	US
	Age Discrimination in Employment Act of 1967	US
	Americans with Disabilities Act	US
	Equal Pay Act of 1963	US
	Pregnancy Discrimination Act of 1978	US

Environmental, Social and Governance Report

Equal Workplace and Social Inclusion

We are committed to maintaining an inclusive and diverse workplace that enables all employees to unleash their full potential. Our dedication to equality and diversity is embedded in corporate policies and daily practices, establishing a supportive and respectful working environment. We uphold a zero-tolerance policy toward all forms of harassment and discrimination, firmly embracing diversity as a core value.

In line with the core values of equality, respect and justice, and in compliance with applicable anti-discrimination and anti-harassment regulations, the Group has established a comprehensive policy framework to advance equal opportunities and prevent all forms of discrimination and harassment. For instance, we have established Equal Employment Opportunity (“**EEO**”) policies. These policies set the standards to ensure fairness, diversity, and inclusiveness across the organization, fostering a culture that values difference and encourages mutual respect.



As stipulated in the Employee Handbook and Code of Conduct, the Group upholds fair and respectful treatment for all personnel. Fairness and meritocracy serve as the fundamental principles throughout our human resources practices. We provide equal opportunities in compensation, recruitment, training and career progression based on employees’ qualifications, competencies and performance. Upholding our anti-discrimination and anti-harassment policy, we do not tolerate any unlawful employee harassment or discrimination based on race, skin color, religion, age, sex, sexual orientation, disability, national origin, marital status, veteran status, or membership in any other group protected by applicable federal, state, or local law.

Furthermore, the Group has established a formal grievance mechanism and an anti-retaliation policy to encourage employees to report unfair treatment in a timely manner. Employees may submit complaints to their supervisor, department head, Human Resources, or the Legal Department. A designated investigator will conduct a comprehensive review and implement appropriate follow-up measures. Strict confidentiality is maintained throughout the process, and all forms of retaliation are prohibited. Following the investigation, disciplinary action—including coaching, written warnings, demotion, termination, or other necessary measures—will be imposed on policy violators.

Environmental, Social and Governance Report

The Group maintains an open-door policy to encourage employees to discuss work-related matters and concerns with their supervisor or department manager. Should an issue remain unresolved or be deemed detrimental to the employee or the Group, employees are advised to escalate the matter to their human resources representative or manager for formal review and handling.

Furthermore, the Group regularly conducts EEO seminars to enhance employees' understanding of their rights and obligations under relevant policies. These training sessions cover diversity, inclusion and non-discrimination principles. They also equip designated investigators with professional expertise to conduct impartial and fair investigations. Strict confidentiality is upheld throughout the process, and all forms of retaliation against employees are strictly prohibited.



EEO Training

Employee Turnover Rate ¹		% in 2025	% in 2024
Total		71.69	79.07
By gender	Male	75.71	83.08
	Female	68.09	75.55
By age group	Below 30	119.09	109.24
	30 to 50	60.98	71.35
	Over 50	48.46	61.34
By geographical region	Hong Kong	—	25.00
	Saipan	37.50	39.22
	Guam	105.38	117.84
	Hawaii	66.67	88.89

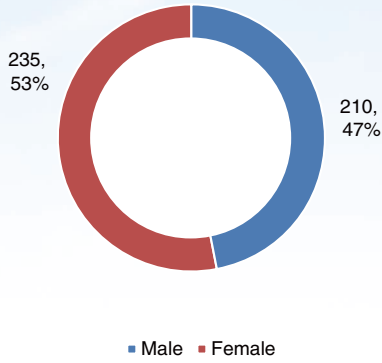
We firmly believe that an inclusive and respectful culture is fundamental to fostering a workplace where every employee can thrive and contribute to collective success. By upholding these values and principles, we strive to build a supportive and empowering environment that enables all employees to unleash their full potential on an equal footing.

As of December 31, 2025, the total number of employees (including full-time and part-time employees) of the Group was 445, with details set forth below.

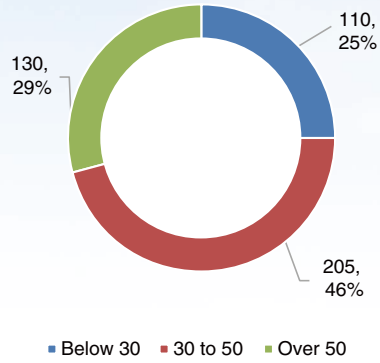
¹ The turnover rate is calculated by dividing the employees in the specified category leaving employment by the total number of employees in such specified category.

Environmental, Social and Governance Report

Total workforce by gender



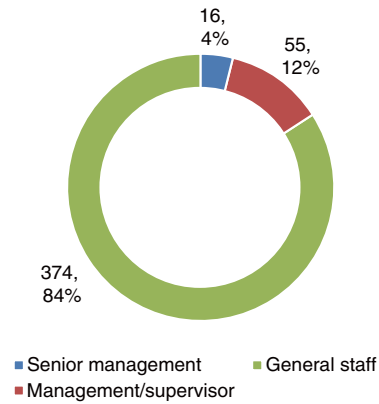
Total workforce by age group



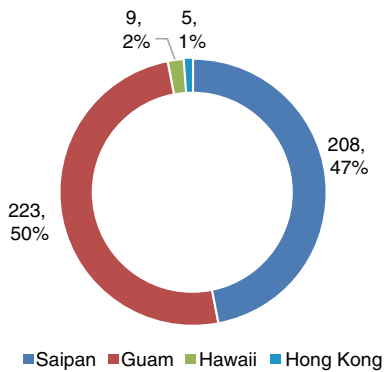
Total workforce by employment type



Total workforce by position



Total workforce by geographical region



Environmental, Social and Governance Report

Employment Practices

Maintaining strong employee engagement is a core priority for the Group. We therefore strive to motivate our workforce through meaningful work and competitive remuneration and benefits package. Our Human Resources Policies provide clear guidance on key areas including recruitment, remuneration and benefits, code of conduct, performance management, promotion, and termination.

We recognize that competitive remuneration directly impacts employee retention and performance. Accordingly, the Group offers a competitive salary package, together with medical coverage, retirement plans and insurance benefits in line with market standard. We also provide hotel and resort staff with discounts on banquets and catering services, which extend to their immediate family members, with food and beverage discounts of up to 50% based on job grade. Meanwhile, regular performance reviews are conducted between supervisors and employees to assess performance and identify improvement necessities and/or development opportunities. Annual discretionary bonuses are awarded based on individual performance. Long-service awards are also presented to recognize employee loyalty and length of service. These initiatives support the Group's long-term efforts to attract and retain outstanding talent.

To support work-life balance, the Group has implemented employment contracts that define standard working hours and the approval process for necessary overtime. Eligible employees are entitled to meal allowances for approved overtime work. The Group strictly complies with all applicable laws and regulations governing working hours and rest periods. In addition to statutory holidays, vacation and sick leave, employees may access various leave types, including jury/witness leave, voting leave, family and medical leave, military leave, and major disaster volunteer leave. Furthermore, on-site hotel and resort staff are provided with nutritious meals during breaks, supporting their health and well-being.

Upholding the well-being and human rights of every individual in our workplace, we are committed to ethical recruitment and fair treatment across all operations. The Group maintains a strict zero-tolerance policy toward all forms of child labor and forced labor across its operations. All employees are required to sign a legally valid employment contract confirming voluntary consent to work, and new hires participate in onboarding programs covering labor rights protection. We regularly review recruitment procedures to prevent exploitation and protect vulnerable individuals. We fully comply with applicable laws and regulations on the prevention of child labor and forced labor, including the Fair Labor Standards Act and the Guam Minimum Wage and Hour Act. During the Reporting Period, no incidents of non-compliance with relevant regulations were identified in Hong Kong, Saipan, Guam or Hawaii.



Competitive package and benefits



Regular performance appraisals



Meal compensation



Employment leaves



Zero-tolerance policy

Environmental, Social and Governance Report

Workplace Health and Safety

Safeguarding employee well-being is a fundamental principle of the Group. We have implemented a strict policy prohibiting smoking, drug use, and alcohol consumption within all premises to protect employee health. Our Code of Conduct requires all staff to comply with OSHA standards, maintain safe and hazard-free working environments, and promptly report potential safety risks to supervisors. As the Group operates across three business divisions with distinct occupational safety and health (“**OSH**”) requirements, specific safety measures for each division are detailed below.

We strictly adhere to all relevant laws and regulations, including OSHA Health Act of 1970 and the OSHA Hazard Communication Standard in the U.S. for all our business segments. Each year, the Group prepares a formal summary report on work-related injuries and illnesses, including nil-incident reports, which are signed by General Managers to confirm accuracy. From January 1, 2022, to December 31, 2025, the Group recorded zero work-related fatalities. Furthermore, no violations of laws and regulations relating to workplace safety and the protection of employees from occupational hazards were identified in Hong Kong, Saipan, Guam or Hawaii during the Reporting Period.

Employee Health and Safety	2025	2024
Work-related deaths	0	0
Number of work-related injuries	23	35
Number of working days lost due to work injury	68	123

Hotels and Resorts

For the Hotels and Resorts Segment, we have established a comprehensive Safety and Health program to manage a full range of occupational safety and health issues. The program includes OSHA-related training (such as annual refresher training, chemical handling, ladder safety, and other relevant courses), on-site inspections, hazard identification, and internal safety communication. A Safety and Health Committee, led by the hotel general manager, oversees OSH policies and conducts monthly meetings to review the safety issues within the hotel premises.

In addition, the Group has implemented a detailed Safety Inspection Checklist for the Hotels and Resorts Segment. Designated safety coordinators conduct quarterly inspections using the checklist to identify potential OSH risks. The checklist addresses a broad spectrum of hospitality-specific safety matters, including safety equipment, working conditions, hygiene standards, personal protective equipment, and hazardous materials storage.

The Group strictly adheres to all OSHA standards and has established an OSHA Inspection Policy to govern inspection processes and corrective actions. Food-handling personnel are required to obtain and renew health and food handler certificates annually to maintain proper food hygiene practices. The Resort deploys professional security staff to develop and implement safety programs for guests and employees. Security personnel screen incoming and outgoing individuals and packages, patrol public areas, the beachfront and building floors, and investigate accidents, injuries, and property loss or damage incidents within the hotel premises.

Environmental, Social and Governance Report

Moreover, the Group also prioritizes employee mental health and well-being. During the Reporting Period, we delivered mental health training (e.g., “**Mental Health 101**”) to equip staff with tools for stress management and emotional resilience. Moving forward, we will continue to expand mental health resources to foster a supportive workplace.



Mental Health Training

Luxury Travel Retail

In the Luxury Travel Retail Segment, the Group places top priority on the safety and well-being of employees and customers. We have established an Employee Safety Handbook with clear guidelines to maintain an accident-free workplace, covering hazard prevention, fire safety, fall protection, and first aid procedures.

Comprehensive emergency protocols have also been implemented to safeguard employees and mitigate risks across various scenarios, including general emergencies, robberies, evacuations, medical incidents, bomb threats, and extreme weather such as earthquakes, tsunamis, and typhoons. These measures reinforce our commitment to employee safety and emergency readiness, supporting our record of zero work-related fatalities. Strict compliance with these protocols remains essential to sustaining a secure working environment.

Destination Services

A comprehensive Safety and Health Program is essential to maintaining a safe working environment. As specified in the Employee Handbook, the Group has established formal safety guidelines covering electrical safety, equipment safety, fire prevention, fall protection, back injury prevention, safe lifting practices, and ergonomics for musculoskeletal disorder prevention. Employees are required to be fully familiar with all safety rules, policies and procedures. The Group also provides suitable personal protective equipment and delivers regular training to ensure proper equipment use and enhance safety awareness.

Business units within the Destination Services Segment have formulated contingency plans to safeguard the safety of employees and guests during emergencies, including natural disasters, traffic accidents, food poisoning, robberies, and hazardous material spills. These plans are incorporated into new employee onboarding training, highlighting the importance of staying calm, responding appropriately, and maintaining backup arrangements during critical incidents. Moreover, first aid kits are available on-site for treating minor injuries, and employees certified in first aid and CPR are identified on the “Emergency Contact Information” sheet. Comprehensive step-by-step instructions for first aid procedures are provided for easy reference.

Environmental, Social and Governance Report

As the Group places great importance on the health and safety of our customers, health and safety guidance is readily available on our official website. This includes safety advice for visitors to various islands in Guam, covering sun safety and water safety. In addition to safety advice, information on emergency contacts, local currency, suitable clothing, medical facilities, personal safety and language, basic legal requirements are also available on our website in Guam² and Saipan³. Customers can enjoy their trips simply by referring to our summary.

Building a Collaborative Work Environment

Employee well-being is a core priority of the Group. We cultivate a supportive and transparent culture through our Open Door Policy, encouraging employees to openly and confidently share challenges and concerns with supervisors and department managers. We value every employee's voice and are committed to fostering an environment where all staff feel empowered to speak up. Any form of discrimination is strictly prohibited and will not be tolerated. We strive to build an inclusive workplace where all employees are respected, valued and treated fairly, enabling each team member to thrive and contribute to collective success.

We recognize that mutual trust and a strong sense of belonging are essential to enhancing teamwork and organizational performance. We actively organize team-building activities to unite employees from diverse backgrounds. These initiatives strengthen collaboration, communication, mutual respect and camaraderie, while boosting team morale. Through these efforts, we aim to build a cohesive, supportive and inclusive workplace where every individual feels valued and connected.

To celebrate Service Week, our Crowne Plaza Resort Guam organized a week-long celebration that kicked off with a dessert and beverage on the first day. Throughout the week, we also provided a variety of treats, including donuts, sundaes, luncheon, sushi, and sandwiches, ensuring that all our employees could enjoy delicious snacks while they worked.



Service Week Activities



Luncheon with Leadership

² https://guam.crowneplaza.com/local_attraction/top-10-tips-for-traveling-in-guam/
³ https://saipan.crowneplaza.com/local_attraction/top-10-tips-for-traveling-in-saipan/

Environmental, Social and Governance Report

To strengthen teamwork and interpersonal relationships, the Group organized a series of friendly competitions including basketball and volleyball games. These activities promoted collaboration in a relaxed and positive atmosphere, further enhancing team cohesion and camaraderie across the organization.



*Volleyball Championship Game
(Women's Team)*



Basketball Championship Game

During the Reporting Period, we also hosted our annual staff appreciation party to acknowledge the dedication and hard work of all employees. The event served as a tribute to the collective efforts and contributions of the team throughout the year. Moving forward, the Group will continue to organize meaningful engagement activities to express gratitude to employees, enhance workplace morale, and strengthen a cohesive and caring corporate culture.



Employee Appreciation Party 2025

Environmental, Social and Governance Report

Training and Development

The Group views employee development as essential to its long-term success. We are committed to unleashing employees' full potential through comprehensive in-house training programs that support talent growth and leadership readiness. We also encourage staff to participate in our education sponsorship scheme, which provides financial assistance for work-related external studies and professional development.

During the Reporting Period, a total of 6,072 hours of training were administered, equating to an average of 13.64 hours per employee. The training profile and detail is illustrated in the table below:

Training and Development ^{4,5}	2025	2024
Total number of training hours received by employees	6,072	5,784
Average training hours per employee and percentage (%) of employees who received training ⁶	13.64 (88.09%)	13.45 (83.26%)
By gender		
Male	15.26 (93.33%)	15.53 (90.05%)
Female	12.20 (83.40%)	11.63 (77.29%)
By employment category		
Senior Management	32.28 (112.50%)	22.18 (70.00%)
Management/Supervisor	20.55 (114.55%)	18.86 (84.69%)
General staff	11.83 (83.16%)	11.19 (83.65%)

In addition to new employee orientation, the Group provides targeted professional training including “Key Aspects of Professionalism” and iShop Effective Communication training. These programs strengthen employees' leadership capabilities, communication skills, and job-specific competencies, supporting their smooth integration into the workplace and long-term career development.



“Key Aspects of Professionalism” Training

⁴ Average training hours per employee is calculated by dividing the total training hours in the specified category by the total number of employees in such specified category.

⁵ Percentage of employees who received training is calculated by dividing the number of employees in the specified category who received training by the total number of employees in such specified category.

⁶ Include the trained employees who subsequently left employment by the end of Year.

Environmental, Social and Governance Report

Hotels and Resorts

The new hire orientation training developed by the Human Resources department covers key areas including the Group's history, core values, business philosophy, internal policies and procedures, and employee benefits. In the regular performance appraisal process, the Group reviews employee achievements and growth potential, while also encouraging staff to provide feedback for discussion. Employees are encouraged to communicate with supervisors regarding work difficulties and improvement areas. Department heads and supervisors provide constructive guidance and support to promote employees' continuous development and success within the Group.

In addition, the APhi Quality Service Academy (QSA) provides learning and development programs aimed at enhancing employees' professional competencies, improving work performance, efficiency, and productivity, while supporting personal and career growth. Each month, the QSA offers a combination of general and role-specific training covering customer service, equal employment opportunity, food service, housekeeping, and other relevant areas. The Human Resources department identifies training needs, shares schedules with department heads, and promotes employee participation, whilst department managers conduct thorough assessments of training effectiveness to support ongoing improvement.

Under the Hotels and Resorts Segment, the Group demonstrates strong commitment to employee development through structured training programs, reinforcing its focus on elevating service quality and building a capable workforce. Information including resort policies, training opportunities, job vacancies, announcements, events, and employment rights under Guam and Federal laws are displayed on company bulletin boards managed by the Human Resources department.

Furthermore, the Group supports employee success by encouraging active participation in both self-directed learning and resort-led training to strengthen job knowledge and skills. A training evaluation form is distributed to participants to assess program quality and relevancy, material usefulness, content clarity, learning objectives, presentation effectiveness, and job applicability. This feedback allows the Group to refine and enhance future training to ensure continued relevance and effectiveness.

Luxury Travel Retail

New employees participate in a structured ninety-day training program upon joining the Group. This initiative enables new staff to familiarize themselves with the Group's operations and job responsibilities, while allowing management to evaluate their capabilities and on-the-job performance.

The Group attaches significant importance to employee performance. During the training period, ongoing performance assessments are conducted by management, with a formal final review upon completion. Annual performance appraisals are implemented to evaluate individual performance and monitor corresponding development. Additionally, a written performance evaluation covering the preceding twelve months is administered at the end of the training period. Supervisors and the General Manager review results with employees to strengthen communication, discuss strengths, areas for improvement, and provide targeted training and guidance.

By acknowledging employees' individual strengths and potential, the Group is committed to supporting their professional growth and facilitating their advancement into senior roles with greater responsibilities.

Destination Services

Within the Destination Services Segment, the Group maintains that exceptional service standards elevate customer experience and strengthen our competitive advantage in the market. The Group is fully committed to talent development to achieve operational excellence across the entire customer journey. We provide job-related external training, including first aid and lifeguard certification courses, to enhance employee skills and readiness. Meanwhile, strict performance standards and customer service training are implemented for staff at the Group's convenience stores to ensure friendly, respectful, and helpful service, further improving the overall shopping experience for guests.

Environmental, Social and Governance Report

SERVICE AND PRODUCT RESPONSIBILITY

We strive to deliver distinctive tour experiences and exceptional sales services toward high customer satisfaction, while placing strong emphasis on creating unforgettable memories for our guests. We understand that travel and hospitality go beyond providing a service; they are about nurturing lasting guest memories and building enduring relationships with our customers.

As a customer-centric organization, the Group prioritizes customer feedback as a core component of its service improvement efforts. Each customer complaint prompts a “Close the loop” process, which is conducted in conjunction with a comprehensive review of the overall guest experience. In cases where guests express dissatisfaction, the Group is committed to initiating resolution within 3 business days of receiving the complaint and aims to fully address concerns within 10 days, whenever practicable. Should there be any delays in the resolution process, relevant customers are promptly notified, along with a clear timeline for the final resolution. Our objective is to systematically address complaints, incorporating necessary service improvements identified through customer feedback, showcasing our attentiveness. We are committed to consistently providing exceptional travel and hospitality services that exceed customer expectations and deliver positive experiences. Through continuous improvement and operational excellence, we aim to strengthen ourselves as a leading and reputed name in the industry.

During the Reporting Period, the Group was not made aware of any instances of material non-compliance with laws and regulations relating to workplace safety and health standards, advertising practices, product labelling requirement, privacy matters, and method for addressing customer complaints occurring within our operations in Hong Kong, Saipan, Guam and Hawaii. No sold products were subject to recalls due to safety and health concerns, and we did not receive any complaints related to the quality of our product and service during the Reporting Period.

Customer Satisfaction

Hotels and Resorts

Our core values are defined by the five principles set out in the Employee Handbook. All employees are expected to uphold the Group’s vision, mission and values in every customer interaction, internal collaboration, daily decision and work execution.

V = Value	We respect humanity and do the right things.
A = Accountability	We are responsible to each other and to all those we serve.
L = Learning	We continually expand our minds to enhance our performance and growth.
U = Unity	We work together in harmony to achieve our common goals.
E = Empowerment	We have the strength to follow through on our commitments.
S = Satisfaction	We render our guests a feeling of wanting to come back.

Under the Hotels & Resorts Segment, we provide premium service to every guest. We cultivate a customer-centric culture through comprehensive training that equips employees with professional skills to meet our brand’s hospitality standards, including greetings, etiquette, telephone manners, and customer care. The Employee Handbook also offers clear guidance for handling various guest complaints, ensuring attentive and thoughtful service. We highly value constructive guest feedback, which is carefully reviewed by management, demonstrating our strong commitment to maintaining high standards in complaint handling and service improvement.

Food and beverage (“**F&B**”) service is a key component of our hotels and resorts, where we place food safety at the forefront. The Group complies with all relevant regulations including the Guam Food Code and food handler requirements in Guam and Saipan, and has implemented strict internal hygiene protocols, such as uniform and appearance standards for F&B and culinary staff. All F&B employees are required to complete training and obtain valid food handler’s certificates as mandated by local laws. We also maintain a smoke-free indoor environment across our premises with designated outdoor smoking areas, supported by clear signage and policy enforcement. Through these food safety, hygiene, and guest comfort measures, we deliver high-quality service and warm interactions to enhance overall guest satisfaction.

Environmental, Social and Governance Report

Our two Crowne Plaza resorts are situated at prime beachfront locations, offering comfortably furnished guest rooms tailored for both business and leisure travelers, with a variety of accommodation options ranging from standard rooms to family-friendly suites. A distinctive advantage over other hotels and resorts is that our guests enjoy direct beach access, enabling them to fully experience the coastal lifestyle. Complementing this picturesque setting, we have placed numerous outdoor hanging lounge egg-style swing chairs on the lawn, allowing guests to enjoy the sunshine and sea breeze. We aim to provide exceptional service while showcasing the natural beauty of the islands to visitors.

Delivering outstanding service during our guests' stay is just the beginning. Our vision is to be recognized as the most preferred resort in the Micronesia Region, we are committed to being customer-focused, creative, committed and consistent in our services. During the Reporting Period, Crowne Plaza Resort Saipan was awarded Micronesia's Leading Resort 2025 and the Tripadvisor Travelers' Choice Award 2025. These accolades reflect the resort's commitment to service excellence and guest satisfaction. Going forward, the Group will continue to enhance its service quality and guest experience, securing its leading position in the region.



Environmental, Social and Governance Report

Luxury Travel Retail

The Group is committed to delivering premium and satisfying shopping experiences across its retail boutiques. We provide continuous training programs for new and existing sales associates to ensure the delivery of professional, efficient, and sincere customer service, as well as tailored shopping recommendation. Customized training modules equip employees with in-depth brand strategies and specialized product knowledge for each international brand, further strengthening their competence.

In addition, all retail staff are required to comply with personal grooming and dress codes as specified in the franchise and distribution agreements with respective brands. Except for defective items under individual brand policies, refunds, returns, and exchanges are generally not available after purchase. In the Luxury Travel Retail Segment, return and exchange requests are uncommon given that most customers are short-term leisure travelers visiting Saipan, Guam, and Hawaii. Any customer complaints or inquiries will be handled strictly in accordance with the regulations of the relevant international brands.

Destination Services

Within the Destination Services segment, the Group places the highest priority on the safety of customers and staff throughout all guided tours. To ensure full compliance with marine activity standards, the Marine Operator Handbook jointly issued by the Division of Coastal Resources Management (CRM), the Department of Fish and Wildlife (DFW), and the U.S. Coast Guard (USCG) has been incorporated into our staff training curriculum.

To ensure a safe experience for all participants, the Group has established formal Water Sports Safe Operating Procedures. Employees are required to proactively identify safety concerns and mitigate potential risks. A clear accountability structure defines health and safety roles: instructors conduct pre-activity and on-water training for customers, assist vessel captains, and strictly comply with all safety protocols. Managers evaluate risks and make operation decisions based on weather conditions, customer behavior, and skill levels. At the same time, they coordinate with administrative teams to finalize the operating schedules to guests and tour partners. Before each excursion, instructors conduct activity-specific safety briefings to ensure all participants understand and follow safety protocols. Participants must also sign legally binding waivers acknowledging the risks, responsibilities, and insurance indemnities associated with recreational activities. Suitable protective equipment will be provided to each participant, and the instructor will verify that all gear is worn correctly before the activity begins. Our instructors are required to adhere to safety standards while offering a friendly and welcoming environment for guests. Additionally, staff must verify customers' eligibility based on criteria such as age and physical attributes (height and weight) before concluding the transaction.

Maintaining consistent service quality is a key priority for our destination services. To better gauge customer feedback and expectations, we provide evaluation forms to all guests following their experience. When handling complaints, employees are required to strictly follow the Customer Complaint Management Policy. A prompt investigation will be conducted to clarify concerns and identify root causes before implementing appropriate solutions. All remedial measures will be communicated to the complainant until the issues are fully resolved.

Environmental, Social and Governance Report

Data Privacy and Cybersecurity

The Group is committed to delivering exceptional customer service, with a steadfast dedication to respecting customer privacy and safeguarding personal data. Each business segment adopts a comprehensive framework for the management of customer information and confidential data. To strengthen privacy protection, we have established rigorous security measures to prevent data breaches and unauthorized access.

Hotels and Resorts

Our hotels and resorts place a high priority on guest privacy, collecting only necessary information such as identity documents, residential addresses, debit or credit card information in a respectful manner. These practices are clearly documented in our Customer Privacy Policies, which adhere to applicable data protection laws and regulations in the NMI region and Guam and are publicly available on our official websites for guests and online users. All employees receive comprehensive training to ensure the proper and secure handling of guest data. Beyond regulatory compliance, we uphold our ethical responsibility to understand guest preferences and expectations to enhance their overall experience. We collect preference-related information in accordance with our privacy policy to evaluate service effectiveness, identify new business opportunities, and optimize offerings for targeted guest groups; guests may also voluntarily provide contact information for future communications.

To safeguard guest information against unauthorized disclosure and misuse, we have implemented a robust information security system that strengthens our cybersecurity framework and ensures compliance with the Payment Card Industry Data Security Standards. We advise hotel guests on recommended security practices, such as activating firewalls and installing security software when using our complimentary on-property Wi-Fi. We also encourage them to refrain from transmitting sensitive personal information over the network without encryption.

With our two Crowne Plaza resorts being managed by IHG, we strictly adhere to IHG's comprehensive customer data security policies. These policies ensure the confidentiality of sensitive guest information throughout its lifecycle – whether collected during booking, stored in reservation systems, or processed across any hotel operation. Regular staff training strengthens protocols for the proper collection, storage, retention, and disposal of personal data. In the event of any breaches, loss, or unauthorized access, guests are encouraged to notify the hotel general manager immediately to enable a full root-cause investigation and implement corrective measures to reduce future risks.

Luxury Travel Retail & Destination Services

Within the Luxury Travel Retail and Destination Services segments, employees may handle customers' personal identifiable information and payment details. The Employee Handbook sets out internal procedures for the collection, usage, and storage of such personal data, which is processed solely for service delivery and marketing communications. Customers may indicate their preferences in line with the Group's policies and procedures. All employees are required to abide by the Confidentiality Policy and the rules defined in the Employee Handbook, and any unauthorized or unlawful transfer or use of customer information is strictly prohibited.

To ensure robust data security, the server of each store is securely linked to the head office server through a virtual private network (VPN) with username and password authentication. The Group also undergoes annual third-party vulnerability assessments commissioned by its bank to evaluate external and internal security environments in compliance with the Payment Card Industry Data Security Standard (PCI DSS). The most recent PCI DSS compliance examination has verified that our systems meet the required security standards.

Environmental, Social and Governance Report

Marketing Advertisement and Labelling

Hotels and Resorts & Destination Services

We leverage in-room televisions to enrich hotel guests' stay experience and expand their available options, showcasing on-site dining choices and facilities, as well as promoting popular island sightseeing spots and nearby shopping malls. To assess the effectiveness of our marketing efforts, we conduct customer service surveys and analyze online reviews and ratings. Our staff actively monitors all feedback channels to gather valuable insights from the customer experience with our products and services. Both positive and negative comments help us understand satisfaction levels and identify areas for improvement.

Additionally, we collaborate with the MVA of the CNMI and travel agencies across South Korea and Japan to jointly promote tourism in the NMI region and our hotel facilities. Following the resumption of direct flights between Hong Kong and Saipan, we have also taken part in various marketing initiatives in selected mainland Chinese cities to boost regional tourism and promote our hotels and resorts. We also promote the Group's travel products and services through digital channels such as online travel agencies and search platforms. As part of our corporate responsibility, we ensure all marketing materials fairly and accurately represent our products and services to support informed customer decisions, while strictly complying with relevant federal, state, and local laws, regulations, and ethical business standards, with all details in advertisements and brochures remaining accurate and unbiased.

Luxury Travel Retail

The Group's franchise and distribution agreements with international brands stipulate marketing communication and advertising practices for all respective brands. We are required to fully comply with the requirements set by brand owners across areas including boutique design and promotional campaign implementation. Prior to launching any promotion, local advertising strategies must be developed in line with these standards and obtain written approval from the international brands, and all advertising and promotional materials must conform to the brand's established fashion and style guidelines.

The Group was not aware of any material non-compliance with relevant laws and regulations relating to marketing and labeling during the Reporting Period.

Protection of Intellectual Property Rights

We recognize that branding serves as a critical intangible asset and attaches great importance to the protection and management of intellectual property rights. We are committed to complying with applicable U.S. intellectual property laws and regulations, safeguarding our own intellectual property while cooperating with partners in full accordance with relevant legal requirements.

We respect the intellectual property rights of our partners, including the hotel brands in our Hotels and Resorts segment and the international brands in our Luxury Travel Retail segment, and only exercise rights within the authorized scope specified in the hotel management agreement and the franchise agreements, respectively. In all marketing and promotional activities, the Group strictly abides by local laws and regulations as well as the intellectual property requirements set by brand owners, using only authorized materials and information to avoid infringement. By upholding robust intellectual property protection and management, we safeguard our corporate brand and reputation while sustaining stable and cooperative relationships with partners and customers.

During the Reporting Period, the Group was not aware of any material non-compliance with applicable laws and regulations concerning intellectual property rights.

Environmental, Social and Governance Report

Business Ethics

We cultivate a culture of open communication through awareness initiatives implemented across all operations. Our business ethics policies embody our commitment to upholding integrity and ethical conduct in the workplace. Employees are protected from retaliation and encouraged to report any observed misconduct, unethical behavior, or potential violations. The Group maintains a zero-tolerance approach to all forms of fraudulent and dishonest acts, including bribery, extortion, fraud, and money laundering. We strictly comply with all applicable laws and regulations in the jurisdictions where we operate, including but not limited to the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and the Prevention of Bribery Ordinance of Hong Kong.

We have implemented several robust policies and procedures for our anti-corruption, anti-fraud and whistle-blowing system to fulfil the Group's ethical obligations.

Anti-corruption	Whistle-blowing system	Anti-fraud
<ul style="list-style-type: none">• Anti-corruption Policy• Gifts, Entertainment & Hospitality Policy• Working with Third Parties Policy	<ul style="list-style-type: none">• Whistle-blowing Policy	<ul style="list-style-type: none">• Fraud Policy

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to bribery, extortion, fraud, or money laundering in Hong Kong, Saipan, Guam, and Hawaii. Furthermore, there were no legal cases involving corruption behavior against the Group or our employees during this year.

Anti-corruption

The Group has established a comprehensive framework of policies governing misconduct and improper practices to define the conduct and obligations of employees and directors. These policies are incorporated into the Employee Handbook and shared with new employees during onboarding to ensure full understanding. Furthermore, all employees are required to complete an annual declaration of interest to disclose any potential conflicts of interest and uphold corporate governance standards.

The policies explicitly prohibit bribery, kickbacks, and facilitation payments. Anti-corruption guidelines are provided to support prevention efforts and the identification of potential risks. Employees are prohibited from soliciting, offering, or accepting gifts, entertainment, or hospitality from existing or potential business partners, and are expected to uphold the Group's interests in all operational activities. In recognition of the important role of business partners, the Group has also implemented a Third Parties Code of Conduct to establish ethical standards for external collaboration.

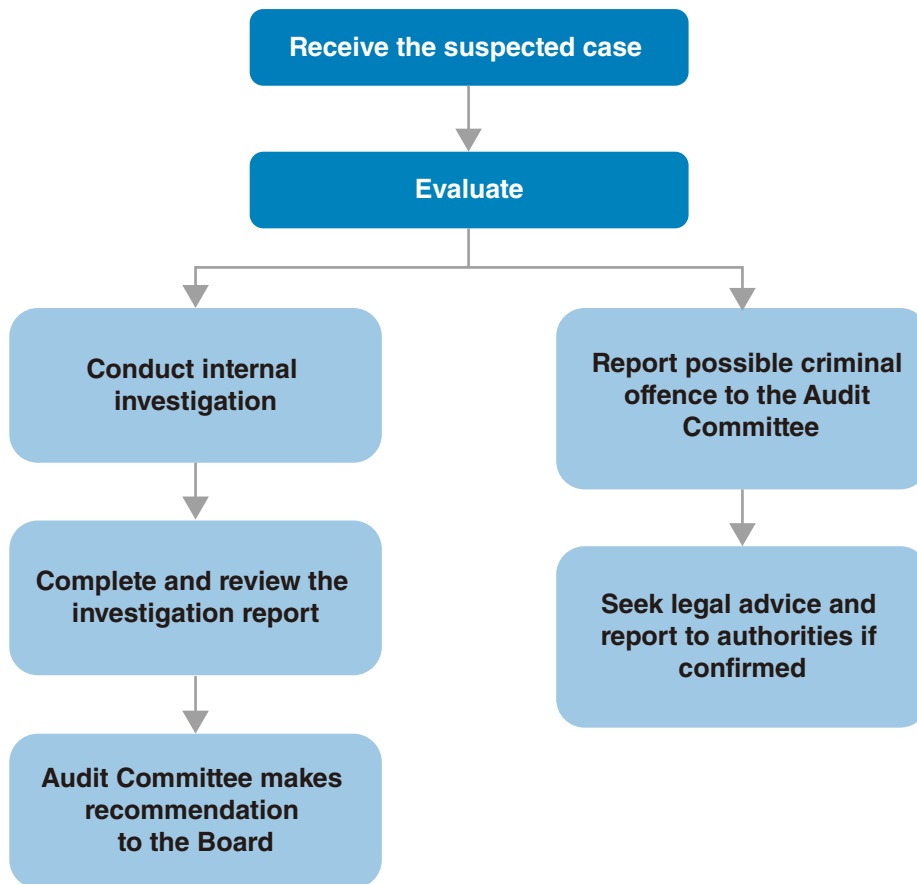
In 2025, the Group delivered anti-corruption training to all directors and the majority of its employees, covering core concepts such as the impact of corruption, bribery definitions and manifestations, bribery and corruption risk scenarios, compliance with gift and hospitality policies, third-party due diligence, public sector transaction standards, accurate record-keeping, and suspicious activity identification and reporting. A total of 499 training hours were completed in aggregate.

Environmental, Social and Governance Report

Whistle-blowing System

The Group maintains a steadfast commitment to transparency, integrity and accountability, fostering an environment of honest communication while upholding the highest standards of business conduct. We have established a dedicated Whistle-blowing Policy with clear reporting channels and a structured investigation mechanism. Employees and third parties are encouraged to raise concerns about suspected misconduct, malpractice, or improprieties through confidential reporting channels, which include reporting to the Company Secretary, the Board, or the Audit Committee via a designated email address. Strict confidentiality is maintained regarding whistle-blowers' identities and case details to protect the integrity of investigations and ensure whistle-blowers are safeguarded against retaliation.

All reported cases will be promptly investigated with the support of the Company Secretary. Based on the nature and complexity of each case, the Group aims to communicate the investigation outcomes within three months from the date of reporting. Disciplinary action will be taken against confirmed violators or any employees who submit malicious complaints. The detailed investigation procedures are outlined in the chart below:



Fraud Policy

The Group's Fraud Policy provides a clear definition of fraud and communicates to all employees, directors and contractors with business relationship that all forms of fraud at any level are strictly prohibited. The policy specifies employees' duties in identifying potential fraud risks, as well as the controls and procedures for fraud prevention and detection. It also offers guidance on the appropriate steps for employees to take upon suspicion of fraudulent activities and sets out the responsibilities for investigating reported cases. Furthermore, the policy ensures protection for employees who may face retaliation or victimization for reporting or witnessing fraud.

Environmental, Social and Governance Report

Responsible Procurement

A commitment to responsible business practices lies at the core of the Group’s strategy and reputation. We uphold the fundamental importance of operating with honesty, integrity and the highest ethical standards, while pursuing sustainable business growth that respects human rights and delivers positive contributions to local communities. In support of this commitment, we have established requirements for our suppliers, as detailed in our Supplier Code of Conduct (“**SCC**”). The Group requires its suppliers to uphold these standards across their own operations and throughout their supply chains. Furthermore, we welcome our suppliers to raise concerns about any potential breach of our SCC or concerns regarding our business conduct.

Standards for	Description
Compliance with laws and regulations	Suppliers shall comply with all applicable laws and regulations in the countries where they source materials, conduct operations, and provide goods or services. They shall also adhere to other relevant international laws and standards governing business conduct.
Labor practice	Suppliers shall comply with applicable laws and regulations, including those concerning hours, compensation, opportunities, and working conditions.
Forced labor and human trafficking	The Group maintains a zero-tolerance policy against forced labor and human trafficking. Suppliers are required to fully understand and comply with the requirement to preserve workers’ freedom of movement. Workers shall not be required to pay any fees for employment, nor shall any person be subjected to debt bondage or coercive labor practices.
Child labor	Suppliers shall not employ employees who are younger than the legitimate working age of 16 years in Saipan and Guam.
Freedom of association	Suppliers shall respect employees’ rights to voluntary freedom of association as stipulated by law. Employees should have the right to organize or join associations and engage in collective bargaining if they choose to do so.
Diversity and inclusion	Suppliers shall provide equal opportunities without discrimination by recruiting and promoting individuals based on their suitability for the job, rather than on race, skin color, ethnicity, nationality, gender, age, religion, marital status, disability, or any other characteristic protected by national, state, or local laws. Moreover, foster a respectful workplace by not tolerating any form of harassment.
Safe working environment	Suppliers shall provide a safe, secure and healthy working environment in compliance with all applicable health, safety and security laws.
Environment	Suppliers are committed to environmental protection and conservation by adopting business strategies and operational processes that minimize adverse environmental impacts. They are encouraged to develop and adopt sustainable technologies to reduce energy and water consumption, while promoting resource reuse and recycling. Environmental performance should be regularly monitored, documented and benchmarked to drive continuous improvement.
Business Integrity and Anti-Bribery	Suppliers shall act with integrity. Bribery and any form of financial crime, including improper payments, money laundering and tax evasion or the facilitation of tax evasion, are not permitted under any circumstances.
Gift and Entertainment	Suppliers shall ensure no gifts or entertainment are used to improperly influence business transactions or decisions related to awards of future business.

Environmental, Social and Governance Report

Standards for	Description
Conflict of interest	Suppliers shall compete based on the merits of their products and services. They are required to implement appropriate measures to mitigate and disclose any real or perceived conflicts of interest to the Group.
Confidentiality and Data Protection	Suppliers shall respect the Group's confidentiality and proprietary information as well as its employee and customer privacy and personal information.
Accurate Financial Records	Suppliers shall record and disclose information regarding business activities, structure, financial situation and performance in accordance with applicable laws, regulations and good industry practices.
Grievance Mechanisms	Suppliers shall establish grievance mechanisms for workers to report concerns, including processes for anonymous complaints to be raised.

During the Reporting Period, we collaborated with 688 suppliers across the globe, of which 585 are local and regional suppliers. The distribution details of suppliers are summarized in the table below:

Geographical region	Number of suppliers
NMI region (Including Saipan)	420
Guam	165
United States	61
Hong Kong	14
Vietnam	7
China	4
France	4
Australia	3
Singapore	3
Switzerland	2
Japan	2
India	1
New Zealand	1
Italy	1
Total	688

The Group prioritizes the procurement of goods from neighboring regions, which substantially reduces its overall carbon footprint by minimizing transport requirements and associated emissions. Local sourcing does not only strengthen supply chain resilience but also builds closer partnerships with dependable local suppliers, who are capable of effectively fulfilling operational needs. Through this distributed model, the Group incorporates redundancies into its supply network, thereby mitigating the risk of disruptions.

Environmental, Social and Governance Report

In addition, local procurement enhances community engagement by driving local economic development and creating employment opportunities for residents. Prioritizing regional suppliers and manufacturers enable us to support sustainable income streams that promote community well-being and long-term prosperity. We actively participate in social initiatives to enhance quality of life, including education programs, environmental protection projects, and healthcare services.

In 2025, over 85% of our suppliers are based in the local area, reflecting our commitment to supporting the local economy. Going forward, the Group aims to prioritize local sourcing whenever practicable, further demonstrating its commitment to community development. While recognizing that resource constraints on the islands may require sourcing beyond local suppliers, we will continuously engage suppliers from neighboring regions to minimize the environmental impact of long-distance transportation while upholding supply chain quality and sustainability. We will also provide necessary support to strengthen the capabilities and competitiveness of local suppliers. Through promoting innovation and collaboration, we strive to build a more resilient and sustainable supply chain that delivers long-term value to both the Group and the communities it serves.

Supplier Selection and Evaluation

The Group maintains a structured and compliant procurement process through its established Finance Policies & Procedures Manual, which defines the guidelines and approval limits governing procurement and payment management. The manual details the steps from initial requisition to the finalization of the purchase agreement, providing a clear framework for procurement personnel to follow.

Recognizing that procurement requirements may differ across business segments, the Group grants subsidiaries the flexibility to customize certain elements of their procurement management systems. Under the Finance Policies & Procedures Manual, the procurement team is responsible for supplier selection, evaluation, and supplier database management. New suppliers are required to complete a stringent qualification process before being eligible to be added to the database, while existing suppliers undergo annual reviews, with non-qualified suppliers removed promptly. Potential suppliers must submit background information, up-to-date financial statements proving financial stability, valid business licenses, compliance records, and evidence of their operational capability, statutory adherence, and alignment with the Group's values.

Once suppliers are added to the database, we conduct annual performance evaluations. KPI assessed include: 1) the number of defective products returned; 2) incidents of incorrect products received; 3) frequency of late deliveries; and 4) competitive pricing. Suppliers that fail to meet our minimum standards must implement improvement actions. Repeated statutory or contractual non-compliance may ultimately lead to the termination of agreements.

Furthermore, our procurement manual offers comprehensive guidance on the procedures governing the entire sourcing process. We have established a Third-party Code of Conduct and implemented a Third Parties Policy to ensure rigorous and consistent management of the supply chain.

Luxury Travel Retail

Within the Group's Luxury Travel Retail Segment, purchases are made directly from international brands and/or authorized suppliers licensed by franchisors. All procurement procedures and boutique operations are conducted in accordance with applicable franchise and distribution agreements, together with the Group's internal procurement policies.

To uphold compliance with these agreements, the Group regularly reviews product assortments, conducts supplier background checks, and analyses market competition. Prior to engaging with new franchisors, legal advisors are engaged to review franchise and distribution agreements for potential legal risks. Any partnership with new international brands or relocation of retail premises requires prior consent and approval from existing franchisors, and all necessary approvals will be obtained before such changes are implemented.

Environmental, Social and Governance Report

ENVIRONMENTAL SUSTAINABILITY

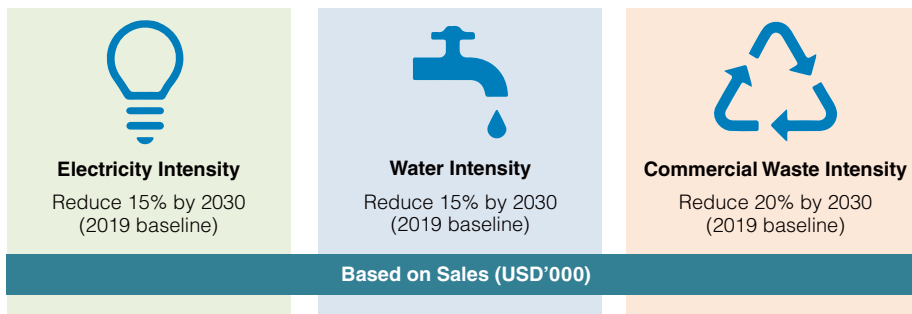
Amid rising global concerns over climate change, pollution and resource depletion, environmental protection has become an urgent priority demanding collective action from all stakeholders. In response to this imperative, the Group is fully committed to safeguarding the natural environment and resources across its operating regions. We recognize that preserving the rich biodiversity of Saipan, Guam and Hawaii is fundamental to our sustainable development, and we therefore actively engage in initiatives dedicated to environmental sustainability.

This section sets out our commitment to environmental stewardship, detailing the strategies, policies and measures we have implemented to minimize our environmental footprint and foster a balanced coexistence with nature. Through these initiatives, we aim to protect the ecological integrity of our local environments and support the global transition toward a more sustainable future.

Moreover, we proudly showcased our sustainable practices across the resort, highlighted our Giving for Food program supporting those in need, and our regular beach clean-up activities to demonstrate our strong commitment to environmental protection and community care.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, generation of waste and use of resources in Hong Kong, Saipan, Guam and Hawaii.

Environmental Target



Resources Conservation

Recognizing the critical importance of reducing energy and resource consumption, the Group understands that efficient management is essential to lowering its carbon footprint and preserving these valuable assets for future generations. In line with our goals for energy, water, and commercial waste, we have established the Efficient Use of Energy, Water, and Other Raw Materials Policy. This comprehensive framework outlines various strategies for our employees and guests to follow, enabling us to collectively optimize our consumption, promote responsible resource use, and cultivate a culture of sustainability within our operations.

Environmental, Social and Governance Report

Energy Conservation

- Turn off the lights when not in use and use natural light when possible
- Turn off electronic appliances at the end of every workday
- Upgrade of air-conditioning system from conventional chillers to sustainable and energy efficient variable refrigerant flow (“**VRF**”) A/C system
- Replace traditional light bulbs with LED light bulbs to enhance energy efficiency
- Set temperature cap for the air conditioners (i.e. 25°C)
- Activate the power down features (e.g. low power mode) on computers and monitors
- Provide regular maintenance to company vehicles and water activities equipment to optimize engine performance and efficient fuel use
- Switch off engines whenever the vehicles or water activities equipment are stationed

Water-saving

- Install low flow showerheads and faucet aerators in all guestrooms
- Display tent cards in all guestrooms to encourage reuse of towels and linens
- Provide regular check and maintenance on water facilities to prevent leakage
- Make use of pressure washer for daily cleaning of vehicles and water activities equipment at the end of excursion tours

Other materials

- Display signage in guestrooms to encourage reuse of amenities (e.g. toothbrush)
- Replace single use utensils with reusable cutlery and containers when serving F&B to guests
- Provide water bottles for hotel guests and replace the bottled water in the guestroom
- Place paper recycling boxes next to printing facilities to encourage recycling
- Provide recyclable or biodegradable bento boxes with wooden spoon and fork for hotels’ takeaways
- Paper bags will not be offered for takeaway food

Environmental, Social and Governance Report

Our Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam have been honored with a Level One award from the IHG Corporate Responsibility Team for our commitment to minimizing environmental impacts and promoting sustainable operations.



Our packaging materials mainly comprise shopping bags used within the Luxury Travel Retail Segment. In accordance with the brand promotion policies of our franchise partners, we follow prescribed procedures and use approved packaging materials for all sales activities related to the relevant international brands. However, we remain committed to the sustainability strategies adopted by the Group. We have opted to use customized shopping bags from international brands that are crafted from recyclable materials. In our Hotels and Resorts Segment, we have launched several initiatives aimed at improving our takeaway packaging practices. As part of our commitment to minimizing material consumption, we provide paper bags to customers upon request. Besides, we utilize bento boxes made from recyclable and biodegradable materials, which greatly reduced our reliance on plastic and paper disposables. Additionally, we have replaced plastic utensils with wooden cutlery. These thoughtful choices reflect our commitment to environmental sustainability.

Environmental, Social and Governance Report

During the Reporting Period, the Group consumed 15,169.35 MWh energy, 207,711.00 m³ of freshwater and 31,393 pieces of packaging material. There was no issue for sourcing water that was fit for purpose in 2025. Details of the consumptions are illustrated in the table below:

Use of resources ^{7,8}	Units	2025	2024	2023
Energy				
Direct Energy Consumption	MWh	3,884.87	3,110.05	1,787.05
— Diesel	MWh	2,168.01	2,261.63	738.10
— Liquefied petroleum gas (“LPG”)	MWh	1,353.36	713.87	988.83
— Liquefied natural gas (“LNG”)	MWh	—	—	—
— Gasoline	MWh	363.50	134.55	60.12
Indirect energy consumption	MWh	11,284.48	11,009.08	10,603.98
— Purchased electricity	MWh	11,284.48	11,009.08	10,603.98
Total energy consumption	MWh	15,169.35	14,119.13	12,391.03
Total energy consumption intensity	MWh per USD’000 sales ⁹	0.34	0.33	0.34
Water				
Freshwater consumption	m ³	207,711.00	199,461.66	189,980.00
Intensity	m ³ per USD’000 sales ¹⁰	4.60	4.66	5.16
Wastewater discharge	m ³	80,627.00	121,442.38	115,118.24
Intensity	m ³ per USD’000 sales ¹¹	1.79	2.84	3.12
Packaging Materials				
Paper bag	pieces (“pcs”)	16,933	28,814	10,115
Carton box	pcs	—	—	113
Wrapping paper	pcs	500	1,800	—
Canvas Bag	pcs	13,960	1,200	—
Plastic bag	pcs	—	—	—
Total consumption	pcs	31,393	31,814	10,228
Intensity	pcs per USD’000 sales ¹²	0.70	0.74	0.28

⁷ To maintain the comparability of reported data due to changes in calculation methodologies, the Group has restated the relevant data for 2024 and 2023.

⁸ The calculation of energy consumption is based on the following reference sources: the GHG Emission Factors Hub, AP-42 Appendix A: Miscellaneous Data and Conversion Factors, and the International Energy Agency — Oil Information database documentation.

⁹ The USD’000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

¹⁰ The USD’000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

¹¹ The USD’000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

¹² The USD’000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

Environmental, Social and Governance Report

Emissions Control

The Group is dedicated to preserving a clean and healthy environment for its employees and the local community. It has established the Air Emission and Quality Policy as a formal framework to oversee air emissions and minimize adverse environmental impacts. The main sources of air emissions across all business sectors include vehicle fuel combustion and the use of gaseous fuel in cooking facilities and other stationary equipment. Details of the air emissions are listed on the table below:

Air emissions ^{13,14}	Units	2025	2024	2023
NOx	tonnes	3.43	19.14	14.19
SOx	tonnes	0.14	1.22	0.92
PM	tonnes	0.17	1.32	0.99

Waste Management

In pursuit of a sustainable and environmentally responsible future, effective waste management plays a critical role. Through robust waste management practices, we can significantly reduce adverse impacts on the environment and enhance resource efficiency. To ensure the proper management of waste generated from our operations, the Group has established the Generation of Hazardous and Non-hazardous Wastes Policy. This policy defines clear responsibilities covering waste generators, as well as standardized procedures for waste handling, storage, transportation preparation and final disposal. By complying with this policy, we ensure that each stage of the waste management process is rigorously implemented to minimize potential risks and environmental impact.

In the Hotels and Resorts Segment, waste is primarily categorized into food waste, used cooking oil, construction waste, and general office waste. To effectively manage food waste, our F&B section has implemented a proactive approach by forming partnerships with local piggery companies. Through these partnerships, our leftover food undergoes additional processing to pig feed. This innovative practice optimizes resource utilization and significantly reduces the amount of waste sent to landfills. Furthermore, our F&B team adheres to the “First In, First Out” principle to prevent unnecessary food loss. This means that all food ingredients and products are consumed in the order in which they were purchased, minimizing waste due to expiration or spoilage.

For other waste types, such as waste cooking oil, construction waste, and general office waste, we ensure proper disposal by partnering with licensed waste collectors with the necessary operation permits, such as the Used Oil Transporter permit, and the Collection Aggregation Permit issued by local authorities. Through cooperation with licensed waste collectors, we ensure that all waste is properly treated and disposed of in compliance with applicable laws, regulations and environmental standards.

Over the past two years, food waste was added to the consideration to enhance data collection methodology. The hazardous waste generated is mainly composed of e-waste, such as ink cartridges, toner cartridges, fluorescent lamps, computer accessories, and electrical appliances. Hazardous waste is handled by licensed waste collectors whenever possible. During the Reporting Period, the Group generated a total of 0.03 tonnes of hazardous waste and 5,590.93 tonnes of non-hazardous waste.

¹³ Disclosure of air emission-related data was disclosed for the first time during the Reporting Period. For consistency and comparability, the corresponding figures for 2024 and 2023 have been restated accordingly.

¹⁴ The calculation of air emission is based on the following reference sources: AP-42 Emission Factors by Chapter, Mobile Source Emission Factor, and Fuel Effects on Exhaust Emissions from Onroad Vehicles in MOVES 3.

Environmental, Social and Governance Report

Type of waste ^{15,16}	Units	2025	2024	2023
Hazardous waste	tonnes	0.03	0.53	0.00 ¹⁷
Intensity	tonnes per USD'000 sales ¹⁸	0.000001	0.000012	0.000000 ¹⁹
Non-hazardous waste	tonnes	5,590.93	5,242.58	1,229.01
Intensity	tonnes per USD'000 sales ²⁰	0.12	0.12	0.03

Protecting the Environment and Natural Resources

Protecting the environment and conserving natural resources is crucial for ensuring a sustainable future for our planet. As a responsible organization, we are dedicated to minimizing our ecological impact through proactive stewardship initiatives in all the communities we serve. We aim to go beyond the local environmental laws and regulations to demonstrate leadership in safeguarding the beauty of the natural world through diverse actions as outlined below.

Marine Protection

As a tourism operator, the Group acknowledges that certain of its activities may exert potential impacts on fragile coastal and marine ecosystems and therefore places a high priority on the protection of the marine environment. The Group remains fully committed to safeguarding precious marine resources for future generations. It strictly complies with the requirements of its CRM permit, which includes mandatory monitoring of coral reef health. All marine-related operations follow expert-developed guidelines to minimize impacts on reefs and marine life, while tour staff receive comprehensive training on coastal and marine ecology and provide guidance to visitors on the responsible use of natural areas.

Coral reefs face numerous threats, including anchor damage and inappropriate human contact. To conserve these biodiversity-rich areas, specific measures have been implemented for marine transport: vessels and jet skis are restricted to designated zones to maintain safe distances from fragile corals, and anchoring is prohibited in areas with significant coral formations. Qualified professionals conduct ongoing monitoring to evaluate the effectiveness of these protective measures and identify opportunities to enhance best practices. The Group remains fully dedicated to the continuous improvement of its stewardship for coastal and marine environments.

Water Source Protection

Clean and safe water is an essential resource facing growing scarcity worldwide. As a hotel and resort operator, the Group regards effective water management as critical to reducing its environmental impact. We have established a strict wastewater discharge process to safeguard water resources. Grease traps installed in drainage systems prevent excess fats, oils and grease from contaminating municipal water supplies, and collected grease waste is transferred to licensed contractors for proper disposal. Regular monthly inspections and maintenance ensure that pollutants are removed effectively by our facilities.

¹⁵ As a result of the closure of Asia Pacific Hotels, Inc. — Kanoa Resort, unusable diesel fuel amounting to approximately 3,868 gallons was generated in the Reporting Period. And approximately 15,141.65 kilograms of liquefied petroleum gas and 26,497.88 kilograms of diesel fuel were generated in 2024.

¹⁶ For 2023, certain waste generation data has been restated to ensure comparable information.

¹⁷ In 2023, 4.34 kilograms of hazardous waste were generated.

¹⁸ The USD'000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

¹⁹ In 2023, the hazardous waste intensity was 0.000118 kg per USD'000.

²⁰ The USD'000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

Environmental, Social and Governance Report

In addition to wastewater management, the Group actively advances water conservation initiatives across its hotels and resorts. Water-efficient showerheads and flow restrictors have been installed to reduce water consumption, while in-room signage is used to encourage guests to reuse towels and linens. All of these tangible steps have lowered our footprint while preserving precious water reserves. Our stringent hazardous materials policy governs chemical storage, usage and disposal. Employees are trained to never pour dangerous substances down the drains and to securely contain the hazardous materials in labelled containers. This minimizes pollution risks to the communities, which are heavily reliant on local water sources. Going forward we will explore additional technologies like rainwater harvesting to further enhance our stewardship of this vital resource.

Climate Resilience

Climate change is an imperative global issue that intensifies extreme weather events and adversely affects business operations. Sustainable tourism relies on natural assets including beaches, oceans, forests and wildlife. These assets are increasingly threatened by environmental changes, leaving sustainable tourism more vulnerable. With the industry's exposure to climate risks, we formulated the Corporate Policy and Procedures subject to climate-related issues, delineating ESG guidelines in the Group's long-term interests. This policy identifies climate change as one of today's most serious challenges, where rising occurrence and severity of extremes adversely affect our business. To promote sustainable growth while safeguarding the environment on which tourism depends, the policy lays the foundation for our climate response by outlining principles and requirements that demonstrating commitment to both environmental protection as well as resilient and responsible operations in a changing global landscape.

Climate-related Risks and Opportunities

We have identified both physical and transition risks, as well as their potential impacts on the Group's business model and value chain. Physical risks encompass potential disruptions caused by extreme weather events and changing climatic conditions, which could directly impact on our operational efficiency and infrastructure. Transition risks, on the other hand, refer to challenges associated with regulatory shifts, market dynamics, and evolving stakeholder expectations. All of which require proactive strategies to address the implications of climate change effectively.

We have adopted the following time horizon when evaluating the climate risks and opportunities:

Time Period	Years
Short-term	Now to 2030
Medium-term	2031 to 2035
Long-term	2036 to 2050

Environmental, Social and Governance Report

The assessed details of acute and chronic physical risks and transition risks are as follows:

Physical risk

Risk identified and potential impact

Acute

- Stronger tropical storms and typhoons, extreme flooding
More frequent extreme weather events, including cyclones, hurricanes, floods and wildfires, can damage property and infrastructure and disrupt business operations. Hotels and resorts in coastal regions are especially exposed to these risks. As the tourism sector depends on stable and continuous operations, recovery from severe storms may take months, resulting in prolonged business disruptions and significant financial losses.

Chronic

- Increase in temperature
Popular warm-weather destinations face significant financial risks from rising temperatures, as heatwaves may negatively affect travel patterns and tourist demand. This can shorten the traditional peak season and spread visitor numbers across a narrower period of months.

Marine-focused destinations are especially vulnerable to revenue impacts. Higher sea surface temperatures place stress on coral reefs and often cause bleaching and irreversible damage. This reduces the vivid underwater attractions that attract diving and snorkeling tourists.

Alarmingly, over 90% of Great Barrier Reef coral has already perished due to recurrent marine heatwaves.
- Rising Sea Levels and Coastal Flooding
As a leading operator of beachfront resorts, our properties situated in low-lying coastal areas are highly exposed to physical risks associated with sea-level rise. Multiple research studies suggest that sea levels could rise by more than three feet by 2100, resulting in the permanent inundation of extensive areas of valuable beachfront. Elsewhere, worsening erosion will progressively consume valuable shoreline positioning. Modelling sea level rise impacts for at-risk locations indicates certain properties may become financially unviable or even structurally threatened within decades if no action is taken.
- Risks to fresh water
The ecosystems face growing threats from irresponsible human activities, in addition to the impacts of climate change. The increasing global overexploitation of water resources has heightened the risk of water scarcity. This may result in absolute water shortages that could negatively affect the Group's operations.
- Coral reefs bleaching and loss
Coral reefs and marine ecosystems not only deliver natural flood and storm protection but also generate hundreds of millions of dollars annually for the economies of the NMI region and Guam. Tropical typhoons and flooding may damage the islands' community infrastructure, which can reduce tourist arrivals to Saipan and Guam and thereby adversely affect the Group's revenue.

Time Horizon

Current, Short-term, Medium-term and Long-term

Environmental, Social and Governance Report

Physical risk

Mitigation measures

- Enhance protection facilities against typhoons, tsunamis, rainstorms, floods and other sudden natural disasters.
- Develop emergency response plans and continually improve natural disaster response mechanisms.
- Expand insurance coverage as appropriate to cover personal injuries and property losses caused by disasters and accidents.
- Provide staff with training and change-related information on how to deal with extreme weather events, as well as disaster preparedness and emergency drills on a regular basis.
- Procure energy-efficient equipment.

Transition risk

Risk identified and potential impact

- Stricter climate policies in Saipan/Guam (carbon pricing, renewable energy requirements)
Directly increases the Group's operating costs related to energy procurement and carbon emissions, compressing profit margins. It also requires adjusting business processes to comply with policies, which may cause short-term declines in operational efficiency. Failure to meet compliance standards could lead to fines or operational restrictions, further intensifying financial and regulatory pressures.
- Tighter building codes and energy standards
The Group's hotels, resorts and other properties need structural renovations (e.g., upgrading insulation and ventilation systems) to meet standards. This not only increases significant capital expenditure but may also disrupt the normal operation of surrounding facilities during the renovation period, resulting in temporary declines in room occupancy rates as well as average room rates, and thus the overall service revenue.
- Demand for new technology upgrades (renewable energy, electric vehicles)
To meet higher energy efficiency standards, continuous capital investment is required to purchase new equipment (e.g., hotel solar systems, electric shuttles), increasing capital expenditure pressure. Lagging behind in technology updates may prevent compliance with industry energy efficiency benchmarks, undermining market competitiveness.
- Consumer preference shifting to eco-friendly travel and services
Demand for carbon-intensive services (e.g., high-energy-consuming facility operations, traditional fuel-powered shuttle services) declines, especially leading to the loss of young customer groups who value sustainability. This may reduce room bookings, hotel F&B revenues as well as other relevant revenue streams within the hotel premises. Additional resources might need to be invested to upgrade the infrastructure to align with the customers' preference, and thus increasing the capital expenditure of the Group.

Environmental, Social and Governance Report

Transition risk

- “Green” competitors seizing market share with eco-advantages
Competitors that have early deployed renewable energy and waste management can attract high-end customers and charge a premium through their “environmental leadership” label, eroding the Group’s market share. In the long term, failure to narrow the environmental sustainability gap may result in losing cooperation opportunities with large enterprises and sustainable tourism platforms, hindering business expansion.

Time Horizon Short-term, Medium term and Long-term

- Mitigation measures**
- Monitor and respond closely to changes in environmental laws, regulations, and policies, develop and continuously refine medium-to long-term carbon emission target plans.
 - Innovate and implement measures to enhance energy efficiency, reduce greenhouse gas emissions from daily operations, and minimize waste generation.
 - Improve management transparency and proactively address concerns raised by stakeholders.

Opportunities

- Opportunities identified and potential impact**
- Use of lower-emission energy sources, supportive policy incentives, new technologies
Leveraging opportunities such as reduced exposure to fossil fuel price volatility and GHG emissions, alongside the adoption of low-emission energy sources, supportive policy incentives and new technologies, enhances operational resilience, strengthens regulatory compliance, elevates its sustainability profile, and drives long-term value creation through more efficient, climate-aligned operations.

Time Horizon Medium term and Long-term

- Opportunities identified and potential impact**
- Participation in renewable energy programs
Participating in renewable energy programs, combining enhanced resilience planning and new resilience-focused offerings, stabilizes energy costs, reduces climate-related risks and maintenance costs, aligns operations with sustainability expectations, and creates new revenue streams to strengthen long-term resilience and value creation.

Time Horizon Short-term, Medium term and Long-term

The Group employs risk control and risk mitigation as its primary approaches to climate and operational risk management. For its hotels and resorts operation as well as marine activities operation, the Group implements proactive risk control measures, including the use of typhoon-resistant materials in hotel renovations and the construction of sea walls to protect coastal properties. Assessments of weather and marine conditions such as wind speed, ocean currents and water clarity prior to have its marine activities open for operation is a crucial routine on daily basis. Should the weather or the water was unfit for the marine activities, managers will make the decision to temporarily suspense the services until the weather or water conditions was improved. For risk mitigation, the Group has established policies and procedures to guide staff in safeguarding the Group’s assets against damage caused by severe climate events. Meanwhile, the Group recognizes the unique features of climate-related risks, which vary by location and business type and are characterized by emerging challenges, uncertainty, complexity and systemic impact. It integrates climate risk management deeply into operations to enable comprehensive and targeted control.

Environmental, Social and Governance Report

The ESG Workforce meets annually to assess, monitor and review climate-related risks and opportunities, integrating them into business decisions and the enterprise risk management framework for consistent prioritization. The ESG Workforce reports annually to the Audit Committee on climate risk management and strategic actions.

Going forward, the Group will continue to evaluate the impact of climate change, embed climate-related risks and opportunities (including evolving environmental regulations) into operations to strengthen resilience, and enhance policies to reduce carbon emissions in support of global climate action.

Climate-related Financial Impact²¹

The Group has identified climate-related physical risks and transition risks. Physical risks may pose potential threats to the occupational safety and health of employees; business operation may be more frequently interrupted, which may result in a corresponding decrease in workforce productivity. Transition risks may lead to changes in compliance costs due to the accelerated advancement of climate change policies and technologies. The Group will continue to monitor market trends and policy developments and dynamically assess corresponding strategic measures.

With respect to climate factors that may affect the Group's cash flows, financing channels and cost of capital in the immediate, short, medium or long term, the relevant qualitative impact analysis has been set out in the section "Climate-Related Risks and Opportunities" above. The Group will actively enhance its climate risk assessment and financial impact analysis mechanisms. Through continuous monitoring, scenario modelling and data accumulation, it will progressively advance the quantification and disclosure of climate-related financial impacts to provide a more robust foundation for long-term strategic and management decisions.

To further strengthen the link between climate risk and financial management, the Group will closely monitor evolving industry practices and changes in relevant laws and regulations and will allocate dedicated professional manpower and resources to conduct systematic climate risk assessments in a timely manner when appropriate.

Capital deployment and allocation of financial resources

In 2025, the Group allocated approximately USD\$19,000 to ESG initiatives, including climate resilience enhancement and energy efficiency improvement. Looking ahead, the Group plans to commit additional resources to climate-related initiatives, such as engaging ESG/climate-related consultancy services and upgrading equipment. The Group intends to further strengthen its focus on sustainability by increasing both human and financial resources dedicated to advancing its climate and ESG agenda.

²¹ No material climate-related financial impacts that can be separately presented were identified during the Reporting Period nor were any separately quantifiable expected financial impacts identified over the short-, medium- and long-term horizons.

Environmental, Social and Governance Report

Metrics and Targets

GHG emissions

The Group is aware of our responsibility to address climate change challenges. As a result, we are dedicated to strengthening our capacity of climate governance, implementing climate change strategies and striving to reduce GHG emissions. We closely monitor our GHG emissions and evaluate the reduction measures on a regular basis. During the Reporting Period, the Group generated 9,298.07 tonnes of carbon dioxide equivalent (“tCO₂e”), with an intensity of 0.21 tCO₂e per USD’000 sales. Looking forward, we aim to reduce the intensity of GHG emissions per revenue by 2030. In 2025, we noticed that the majority of our GHG emissions are contributed by Scope 2 emission, which is the indirect emission from the consumption of purchased electricity. The Group has formulated the Greenhouse Gas Emission Policy to assess and manage its GHG emissions, ensuring the GHG emissions comply with local government emission standards by regular monitoring and control.

GHG emissions ^{22,23}	Units	2025	2024	2023
Scope 1 ²⁴	tCO ₂ e	893.67	856.22	410.94
Scope 2 ²⁵	tCO ₂ e	8,376.02	8,167.93	7,884.23
Scope 3 ²⁶	tCO ₂ e	28.38	62.20	119.59
Total GHG emissions	tCO ₂ e	9,298.07	9,086.34	8,414.75
GHG emissions intensity	tCO ₂ e per USD’000 sales ²⁷	0.21	0.21	0.23

²² To maintain the comparability of reported data due to changes in calculation methodologies, the Group has restated the relevant data for 2024 and 2023.

²³ The Group calculates GHG emissions using the operational control approach, whereby emissions are computed based on the review and collection of operational data. The calculation is also conducted in accordance with relevant international and national standards including the GHG Emission Factors Hub, AP-42 Appendix A: Miscellaneous Data and Conversion Factors, International Energy Agency – Oil Information database documentation, the Commonwealth of the Northern Mariana Islands Priority Climate Action Plan, “Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX, and the International Civil Aviation Organization (ICAO) Carbon Emission Calculator. Differences between the total and the sum of breakdown figures are due to rounding.

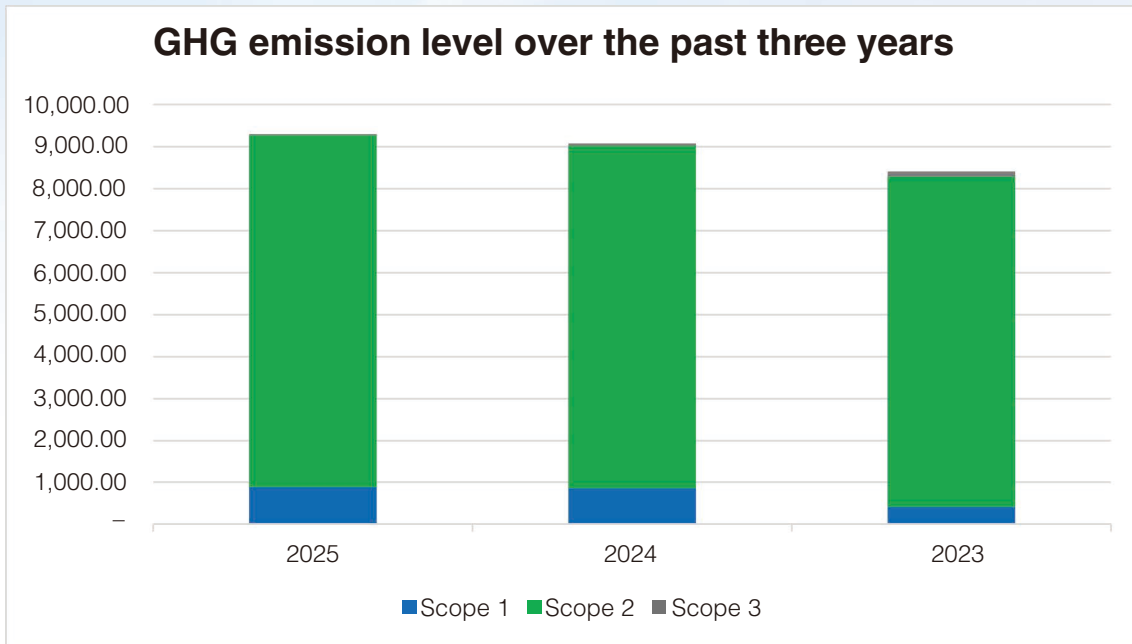
²⁴ Scope 1 represents direct GHG emissions generated by fuels for stationary and mobile sources.

²⁵ Scope 2 represents indirect GHG emissions generated by the use of purchased electricity from local power companies. The calculation follows location-based methodology.

²⁶ Scope 3 represents other indirect emissions generated by office paper disposal and business air travel of employees. This report discloses greenhouse gas emissions data for Scope 3 Categories 5 and 6. The remaining categories are not disclosed at this stage due to data collection constraints. The Group will continue to enhance its data collection systems and strengthen communication with value chain partners to improve the completeness of data collection.

²⁷ The USD’000 sales in the Reporting Period, 2024 and 2023 is 45,114.00, 42,795.00 and 36,847.00 respectively.

Environmental, Social and Governance Report



In our fuel-proven stationary plants, vehicles and equipment, we prioritize the use of low-emission fuels to reduce our environmental footprint. To manage cooking fume emissions, we equipped the kitchens in our hotels and resorts with grease filters and hydrovents. These installations help to remove oil grains and odors emitted from the kitchen.

GHG Emissions Mitigation and Targets

The Group has established greenhouse gas emission targets, as detailed in the table below. By setting these targets, the Group aims to continuously optimize greenhouse gas reduction measures and promote energy conservation and carbon reduction in a responsible manner.

Target Information	
GHG Covered	CO ₂ , CH ₄ , N ₂ O
Target Set ²⁸	Reduce GHG emission by 15% relative to a 2019 baseline by 2030.
Target Type	Absolute
Objective of Target	Mitigation of climate change impacts via energy efficiency, resource conservation and waste reduction.
Monitoring Progress	The Board and ESG Workforce reviews the target and performance on GHG emission annually and assesses whether a revision on the target is required.
Scope of Target	Covers all Group operations, primarily Hotels & Resorts and Luxury Travel Retail in Guam, Saipan and Hawaii.

²⁸ The Group has not adopted the Science Based Targets initiative (SBTi) framework for setting greenhouse gas emission reduction targets during the reporting period. Going forward, the Group will continue to monitor the latest guidance of the SBTi framework, and taking into account its own business development plans and operational realities, will assess and advance the formulation of relevant targets in a timely manner to further drive its low-carbon transition.

Environmental, Social and Governance Report

Compared with the 2019 baseline, the Group's total GHG emissions have decreased by approximately 49%. The Group will continue to assess, accurately record and disclose its annual greenhouse gas emissions, and seeks to establish a clear accountability framework to deliver on its emissions policies and targets. It will regularly review such targets and policies and enhance its data collection systems and develop appropriate emission reduction strategies based on forecasts for future years.

COMMUNITY PARTICIPATION

The Group is committed to supporting the communities in which we operate and reside. As our business expands, we continue to prioritize the well-being and quality of life of residents. We strive to develop robust business networks and markets to create share value for all stakeholders through mutually beneficial partnerships. Through collaborative initiatives, we aim to build a sustainable future where both people and businesses can prosper together.

During the Reporting Period, the Group donated a total of US\$5,000 to several organizations, including Save The Susu Foundation, Center for Independent Living, Guma Esperanza, and the Rotary Club of Saipan, alongside in-kind contributions such as toiletries, hygiene products and non-perishable food items, demonstrating our continuous support of environmental protection and community.

We also devoted approximately 435 volunteer hours with the focus on environmental protection and community wellness. Our efforts included a range of impactful activities, such as organizing beach clean-ups, community outreach programs, and career development initiatives to support local communities and foster employee engagement; partnering with non-profit organizations to provide monetary donations and in-kind contributions to vulnerable groups; and delivering dedicated training and environmental stewardship projects. These endeavors reflect our commitment to preserving our natural environment, enhancing the quality of life for community members, and nurturing a culture of care and collaboration across all our operations.



Giving for Good in Guam

Environmental Protection

The Group holds deep respect for the natural environment and acknowledges the intrinsic value of biodiversity, as well as our interdependent relationship with ecosystem services. Guided by this commitment, we actively engage in a variety of environmental volunteer programs to support habitat restoration, enhance sustainability awareness, and encourage wider environmental stewardship.

Environmental, Social and Governance Report

During the Reporting Period, the Group participated in various beach cleanup activities organized by the Guam Hotel & Restaurant Association (“GHRA”) and the Bureau of Environmental and Coastal Quality (“BECQ”). We also joined coastal cleanups hosted by the Division of Coastal Resource Management (“DCRM”). These efforts help preserve the natural environment around our hotels, resorts, and local beaches, demonstrating our ongoing commitment to the local community.



GHRA Beach Clean-Up



Coastal Clean Up

Community Wellness

The Group recognizes that individual well-being, community health, and environmental sustainability are fundamentally interconnected and essential to our sustainable development. During the Reporting Period, the Group established a formal Community Engagement and Involvement Policy, which sets out a structured approach to understanding local community needs, integrating community interests into operational and strategic decision-making, and investing in sustainable shared value initiatives covering education, health, environmental protection and local economic development. By engaging in various social and environmental initiatives that aim to address both social and ecological needs, we strive to cultivate a foundation of engaged support with the places where we operate. These efforts will help us advance our joint vision of a thriving future for all.

To support our community, we have organized Giving for Good events, provided monetary donations and distributed essential in-kind items such as toiletries, hygiene products, non-perishable food, household goods, and candies to vulnerable groups and local non-profit organizations. Our commitment is to uplift and assist our local society. We have also donated unused shampoo and body wash to the CNMI Department of Corrections.

Furthermore, our Group places great importance on the well-being of the elderly and demonstrates continuous care and support for the senior community. We also collaborated with Renshan Fortune Charity Association and Chung Sing Benevolent Society to organize caring activities for the elderly, delivering care and warmth to enhance their quality of life. These initiatives reflect our commitment to supporting the elderly and building a compassionate and inclusive society.



Giving for Good in Saipan



Caring Activities for the Elderly

Environmental, Social and Governance Report

HKEX ESG REPORTING CODE INDEX

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
A. Environmental		
Aspect A1 Emissions		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</p>	Environmental Sustainability
KPI A1.1	The types of emissions and respective emissions data.	Environmental Sustainability – Emissions Control
KPI A1.2	Repealed 1 January 2025	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Sustainability
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Sustainability – Waste Management
Aspect A2 Use of Resources		
General Disclosure	<p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Environmental Sustainability – Energy Conservation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability – Energy Conservation

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability – Energy Conservation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Sustainability – Energy Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Sustainability – Protecting the Environment and Natural Resources
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Environmental Sustainability – Energy Conservation
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Sustainability – Protecting the Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Sustainability – Protecting the Environment and Natural Resources
Aspect A4 Climate Change		
General Disclosure	Repealed 1 January 2025	/
KPI A4.1	Repealed 1 January 2025	/
B. Social		
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Care for Our Employees – Equal Workplace and Social Inclusion
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Care for Our Employees – Equal Workplace and Social Inclusion
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Care for Our Employees – Equal Workplace and Social Inclusion

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
Aspect B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impacts on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Care for Our Employees – Workplace Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Care for Our Employees – Workplace Health and Safety
KPI B2.2	Lost days due to work injury.	Care for Our Employees – Workplace Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Care for Our Employees – Workplace Health and Safety
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Care for Our Employees – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Care for Our Employees – Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Care for Our Employees – Training and Development
Aspect B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Care for Our Employees – Employment Practices
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Care for Our Employees – Employment Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Not applicable

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of supply chain.	Service and Product Responsibility – Responsible Procurement
KPI B5.1	Number of suppliers by geographical region.	Service and Product Responsibility – Responsible Procurement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Service and Product Responsibility – Responsible Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Service and Product Responsibility – Responsible Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Service and Product Responsibility – Responsible Procurement
Aspect B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service and Product Responsibility – Marketing Advertisement and Labelling
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Service and Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Service and Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Service and Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Service and Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Service and Product Responsibility – Data Privacy and Cybersecurity

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
Aspect B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Service and Product Responsibility – Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Service and Product Responsibility – Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Service and Product Responsibility – Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Service and Product Responsibility – Business Ethics
Community		
Aspect B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Participation

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures

Section/Statement

(I) Governance

19(a)

An issuer shall disclose information about: the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:

19(a)(i)

How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.

ESG Governance

19(a)(ii)

How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.

ESG Governance

19(a)(iii)

How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.

ESG Governance

19(a)(iv)

How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35).

ESG Governance

19(b)

An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:

19(b)(i)

Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.

ESG Governance

19(b)(ii)

Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.

ESG Governance

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures

Section/Statement

(II) Strategy

Climate-related risks and opportunities

20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
20(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Environmental Sustainability – Climate-related Risks and Opportunities
20(b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.	Environmental Sustainability – Climate-related Risks and Opportunities
20(c)	Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Environmental Sustainability – Climate-related Risks and Opportunities
20(d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Environmental Sustainability – Climate-related Risks and Opportunities
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
21(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Environmental Sustainability – Climate-related Risks and Opportunities Determination of Scope of Value Chain: Reasonable Information Relief is adopted. The Group will keep refining its method in determining the scope of value chain in its climate risk assessment

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures		Section/Statement
21(b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Environmental Sustainability – Climate-related Risks and Opportunities Determination of Scope of Value Chain: Reasonable Information Relief is adopted. The Group will keep refining its method in determining the scope of value chain in its climate risk assessment
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
22(a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Refer to the below
22(a)(i)	Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities.	Environmental Sustainability – Climate-related Risks and Opportunities; Environmental Sustainability – Climate-related Financial Impact
22(a)(ii)	Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Environmental Sustainability – Climate-related Risks and Opportunities
22(a)(iii)	Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan.	The Group does not have a climate-related transition plan
22(a)(iv)	How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Environmental Sustainability – Metrics and Targets
22(b)	Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	ESG Governance
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	N/A

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures

Section/Statement

Financial position, financial performance and cash flows

Current financial effect

24	An issuer shall disclose qualitative and quantitative information about:	
24(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	<p>Environmental Sustainability – Climate-related Risks and Opportunities;</p> <p>Environmental Sustainability – Climate-related Financial Impact</p> <p>Quantification of Current Financial Effects: Budget allocated to climate-related works during the Reporting Period is disclosed in this report. For the details of climate-related current financial effects (other than those mentioned in Climate-related Financial Impact section), the Group has yet to disclose it quantitatively. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this report</p>
24(b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	No significant risk of material adjustment
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
25(a)	<p>How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy.</p>	Environmental Sustainability – Climate-related Financial Impact

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures

Section/Statement

25(b)	How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	<p>Environmental Sustainability — Climate-related Financial Impact</p> <p>Quantification of Anticipated Financial Effects: Capabilities Relief is adopted. For the details of climate-related anticipated financial effects (other than those mentioned in Climate-related Financial Impact section), the Group has yet to disclose it quantitatively. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this report</p>
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Climate resilience

26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
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26(a)	The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
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26(a)(i)	The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis.	<p>Environmental Sustainability — Climate-related Risks and Opportunities;</p> <p>Environmental Sustainability — Climate-related Financial Impact;</p> <p>The Group has not yet conducted climate-related scenario analysis. We will closely monitor industry practices and allocate appropriate staff and resources to undertake climate-related scenario analysis in due course.</p>
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Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures		Section/Statement
26(a)(ii)	The significant areas of uncertainty considered in the issuer's assessment of its climate resilience.	Environmental Sustainability – Climate-related Risks and Opportunities;
		Environmental Sustainability – Climate-related Financial Impact;
		The Group has not yet conducted climate-related scenario analysis. We will closely monitor industry practices and allocate appropriate staff and resources to undertake climate-related scenario analysis in due course.
26(a)(iii)	The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	Environmental Sustainability – Climate-related Risks and Opportunities;
		Environmental Sustainability – Climate-related Financial Impact;
		The Group has not yet conducted climate-related scenario analysis. We will closely monitor industry practices and allocate appropriate staff and resources to undertake climate-related scenario analysis in due course.
26(b)	How and when the climate-related scenario analysis was carried out, including:	
26(b)(i)	Information about the inputs used, including:	
26(b)(i)(1)	Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios.	The Group has not yet conducted climate-related scenario analysis.
26(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios.	The Group has not yet conducted climate-related scenario analysis.
26(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	The Group has not yet conducted climate-related scenario analysis.
26(b)(i)(4)	Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	The Group has not yet conducted climate-related scenario analysis.

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures		Section/Statement
26(b)(i)(5)	Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	The Group has not yet conducted climate-related scenario analysis.
26(b)(i)(6)	Time horizons the issuer used in the analysis.	The Group has not yet conducted climate-related scenario analysis.
26(b)(i)(7)	What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis).	The Group has not yet conducted climate-related scenario analysis.
26(b)(ii)	The key assumptions the issuer made in the analysis.	The Group has not yet conducted climate-related scenario analysis.
26(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	The Group has not yet conducted climate-related scenario analysis.
(III) Risk Management		
27	An issuer shall disclose information about:	
27(a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Refer to the below
27(a)(i)	The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes).	The Group has not yet conducted climate-related scenario analysis.
27(a)(ii)	Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	The Group has not yet conducted climate-related scenario analysis.
27(a)(iii)	How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Environmental Sustainability – Climate-related Risks and Opportunities
27(a)(iv)	Whether and how the issuer prioritises climate-related risks relative to other types of risks.	Environmental Sustainability – Climate-related Risks and Opportunities
27(a)(v)	How the issuer monitors climate-related risks.	ESG Governance; Environmental Sustainability – Climate-related Risks and Opportunities

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures	Section/Statement
27(a)(vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	The Group has not yet conducted climate-related scenario analysis.
27(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	ESG Governance; Environmental Sustainability – Climate-related Risks and Opportunities; The Group has not yet conducted climate-related scenario analysis.
27(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	Environmental Sustainability – Climate-related Risks and Opportunities
(IV) Metrics and Targets	
Greenhouse gas emissions	
28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
28(a) Scope 1 greenhouse gas emissions.	Environmental Sustainability – Metrics and Targets
28(b) Scope 2 greenhouse gas emissions.	Environmental Sustainability – Metrics and Targets
28(c) Scope 3 greenhouse gas emissions.	Environmental Sustainability – Metrics and Targets
29 An issuer shall:	
29(a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	Environmental Sustainability – Metrics and Targets
29(b) Disclose the approach it uses to measure its greenhouse gas emissions including:	
29(b)(i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions.	Environmental Sustainability – Metrics and Targets

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures	Section/Statement
<p>29(b)(ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.</p>	<p>Environmental Sustainability — Metrics and Targets</p>
<p>29(b)(iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.</p>	<p>Environmental Sustainability — Metrics and Targets</p>
<p>29(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.</p>	<p>Environmental Sustainability — Metrics and Targets</p>
<p>29(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	<p>Environmental Sustainability — Metrics and Targets</p>
<p>Climate-related transition risks</p>	
<p>30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable information relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities vulnerable to risks in the future</p>
<p>Climate-related physical risks</p>	
<p>31 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>Reasonable information relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities vulnerable to risks in the future</p>

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures

Section/Statement

Climate-related opportunities

32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable information relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities aligned with opportunities in the future
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Capital deployment

33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Environmental Sustainability – Climate-related Financial Impact
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Internal carbon prices

34	An issuer shall disclose:	
34(a)	An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	The Group does not apply a carbon price in decision-making
34(b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	The Group does not apply a carbon price in decision-making
34	Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group does not apply a carbon price in decision-making

Remuneration

35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	No climate-related considerations are factored into remuneration policy
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Industry-based metrics

36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Disclosure of industry-based metrics has yet to be included
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Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures

Section/Statement

Climate-related targets

37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37(a)	The metric used to set the target.	Environmental Sustainability – Metrics and Targets
37(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	Environmental Sustainability – Metrics and Targets
37(c)	The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region).	Environmental Sustainability – Metrics and Targets
37(d)	The period over which the target applies;	Environmental Sustainability – Metrics and Targets
37(e)	The base period from which progress is measured;	Environmental Sustainability – Metrics and Targets
37(f)	Milestones or interim targets (if any);	Environmental Sustainability – Metrics and Targets
37(g)	If the target is quantitative, whether the target is an absolute target or an intensity target.	Environmental Sustainability – Metrics and Targets
37(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Environmental Sustainability – Metrics and Targets
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38(a)	Whether the target and the methodology for setting the target has been validated by a third party.	The target has not been validated by a third party
38(b)	The issuer's processes for reviewing the target.	Environmental Sustainability – Metrics and Targets
38(c)	The metrics used to monitor progress towards reaching the target.	Environmental Sustainability – Metrics and Targets

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

Climate-related Disclosures		Section/Statement
38(d)	Any revisions to the target and an explanation for those revisions.	During the Reporting Period, to advance sustainable transformation and address climate risks, the Group reviewed and established GHG emission reduction targets.
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Environmental Sustainability – Metrics and Targets
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40(a)	Which greenhouse gases are covered by the target.	Environmental Sustainability – Metrics and Targets
40(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Environmental Sustainability – Metrics and Targets
40(c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Environmental Sustainability – Metrics and Targets
40(d)	Whether the target was derived using a sectoral decarbonisation approach.	Sectoral decarbonisation approach was not used
40(e)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group did not use carbon credits in the Reporting Period
40(e)(i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	The Group did not use carbon credits in the Reporting Period
40(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits.	The Group did not use carbon credits in the Reporting Period
40(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	The Group did not use carbon credits in the Reporting Period
40(e)(iv)	Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	The Group did not use carbon credits in the Reporting Period

CORPORATE GOVERNANCE PRACTICES

The Group acknowledges the need and importance of corporate governance as one of the key elements in enhancing shareholders' value. It is committed to ensuring high standards of corporate governance in the interests of shareholders, taking care to identify practices designed to achieve effective oversight, transparency and ethical behavior, and protecting the long-term sustainability of the Group as a whole.

The shares of the Company have been listed on the Stock Exchange on the Listing Date. Since the Listing Date, the Company has adopted the principles in the CG Code as set out in Appendix C1 to the Listing Rules as its code of corporate governance.

During the Year and up to the date of this annual report, the Company has complied with all applicable code provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by the Directors. Having made specific enquiries of all directors, each Director has confirmed that he/she has complied with the required standard set out in the Model Code throughout the Year.

BOARD OF DIRECTORS

Board responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The Board acknowledges its responsibility for the management of the Group and to ensure sound and effective internal control systems are maintained so as to safeguard the Group's assets and the interest of the shareholders. The Board is also responsible for convening general meetings, implementing the resolutions passed at the general meetings, determining the business and investment plans of the Group, formulating the annual financial budget and financial statements of the Group, and formulating the proposals for dividend distributions as well as exercising other powers, functions and duties as conferred by the Company's Articles. The Board has established Board Committees (as defined below) and has delegated to these Board Committees various responsibilities as set out in their respective terms of reference. The responsibilities of these Board Committees include monitoring the Group's operational and financial performance, and ensuring that appropriate internal control and risk management systems are in place.

The Board may from time to time delegate certain functions to the management of the Group if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

The Directors have full access to information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Corporate Governance Report

Composition

The Board currently comprises nine members, consisting of four executive Directors, two non-executive Directors (including the Chairman of the Board) and three independent non-executive Directors, as follows:

Executive Directors

Dr. TAN Henry, *SBS, BBS, JP (Vice Chairman and Chief Executive Officer)*
Mr. CHIU George
Mrs. SU TAN Jennifer Sze Tink
Ms. CHEUNG Pik Shan Bonnie (*Appointed on April 9, 2025*)

Non-Executive Directors

Dr. TAN Siu Lin, *GBS, SBS (Chairman)*
Mr. TAN Willie
Mr. SCHWEIZER Jeffrey William (*Retired on April 8, 2025*)

Independent Non-Executive Directors

Mr. CHAN Leung Choi Albert
Mr. MA Andrew Chiu Cheung
Mr. WONG Chun Tat, *JP*

The biographical details of the Directors are set out in the section headed “Management Executives” on pages 20 to 23 of this annual report. Save as disclosed in the said section, there is no family, financial or business relationship among the Directors.

Throughout the Year, independent non-executive Directors constitute one-third of the Board, which is in compliance with the requirement under Rule 3.10(A) of the Listing Rules. Hence, there is a strong independence element in the composition of the Board. Each of the Directors has the relevant experience, competencies and skills appropriate to the requirements of the business of the Group, and at least one of the independent non-executive Directors has appropriate professional qualifications of accounting or related financial management expertise.

The list of Directors has been published on the website of the Company and the website of the Stock Exchange, and is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

During the Year and up to the date of this annual report, an appropriate and adequate directors’ and officers’ liability insurance is in place to protect all the Directors from legal action arising from the performance of their duties as a Director. Such insurance coverage will be reviewed and renewed on an annual basis. As of the date of this annual report, no claims under the insurance policy has been made.

Independent non-executive Directors

The roles of the independent non-executive Directors include the following:

- (i) provision of independent judgement at Board meetings;
- (ii) take the lead where potential conflicts of interest arise;
- (iii) serve on committees if invited; and
- (iv) scrutinize the performance of the Group as necessary.

The independent non-executive Directors have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board Committees, all independent non-executive Directors will continue to make various contributions to the Company.

The independent non-executive Directors and their immediate family receive no payment from the Company or its subsidiaries (except the director fee). No family member of any independent non-executive Directors is employed as an executive officer of the Company or its subsidiaries or has been so in the past three years. The independent non-executive Directors are subject to retirement and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles. The Company considers all of the independent non-executive Directors to be independent based on the factors set out in Rule 3.13 of the Listing Rules.

Provision C.2.7 of the CG Code requires that the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of the other Directors. During the Year and up to the date of this annual report, the Chairman held one meeting with the independent non-executive Directors on December 11, 2025 without the presence of any other Directors. Going forward, the Chairman will continue to ensure compliance with this code provision.

Directors' induction and continuing professional development

During the Year, each Director has received training on the general, statutory and regulatory obligations of being a director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant legal and regulatory requirements.

Directors are committed to comply with the continuous professional development requirement under provision C.1.4 of the CG Code so as to develop and refresh their knowledge and skills and ensure that their contribution to the Board will be informed and relevant.

The Directors, on an ongoing basis, will receive updates on the relevant laws, rules and regulations. During the Year, the Company shared with the Directors certain continuous professional development courses relating to their duties as directors of a listed corporation, the Listing Rules, corporate governance practices and other relevant legal and regulatory requirements so that they can continuously acquire relevant knowledge and skills.

Corporate Governance Report

A summary of training received by each Director during the Year is set out below:

Board Members	Type of training
Executive Directors	
Dr. TAN Henry, <i>SBS, BBS, JP (Vice Chairman and Chief Executive Officer)</i>	A, B
Mr. CHIU George	A, B
Mrs. SU TAN Jennifer Sze Tink	A, B
Ms. CHEUNG Pik Shan Bonnie (<i>Appointed on April 9, 2025</i>)	A, B
Non-Executive Directors	
Dr. TAN Siu Lin, <i>GBS, SBS (Chairman)</i>	A, B
Mr. TAN Willie	A, B
Mr. SCHWEIZER Jeffrey William (<i>Retired on April 8, 2025</i>)	A, B
Independent Non-Executive Directors	
Mr. CHAN Leung Choi Albert	A, B
Mr. MA Andrew Chiu Cheung	A, B
Mr. WONG Chun Tat, <i>JP</i>	A, B

A: attending external seminars/conferences/workshops/forums/webinars

B: reading newspapers/journals and updates relevant to their profession, business, corporate governance and director's duties and responsibilities

Meeting of the Board and the Directors' attendance record

The Board is scheduled to meet at least four times a year to determine overall strategic direction and objectives and approve interim and annual results and other significant matters. Each of the Directors is required to give sufficient time and attention to the affairs of the Company. During the Year, four Board meetings were held with full attendance, details of which are presented below:

Board Members	Meetings Attended/Held	Average Attendance Rate
Executive Directors		
Dr. TAN Henry, <i>SBS, BBS, JP (Vice Chairman and Chief Executive Officer)</i>	4/4	100%
Mr. CHIU George	4/4	100%
Mrs. SU TAN Jennifer Sze Tink	4/4	100%
Ms. CHEUNG Pik Shan Bonnie (<i>Appointed on April 9, 2025</i>)	3/3	100%
Non-Executive Directors		
Dr. TAN Siu Lin, <i>GBS, SBS (Chairman)</i>	4/4	100%
Mr. TAN Willie	3/4	75%
Mr. SCHWEIZER Jeffrey William (<i>Retired on April 8, 2025</i>)	1/1	100%
Independent Non-Executive Directors		
Mr. CHAN Leung Choi Albert	4/4	100%
Mr. MA Andrew Chiu Cheung	4/4	100%
Mr. WONG Chun Tat, <i>JP</i>	4/4	100%

Corporate Governance Report

Apart from Board meetings, consent/approval from the Board had also been obtained by written resolutions on a number of matters.

During the Year, an annual general meeting of the Company was held on May 29, 2025 for the year ended December 31, 2024.

Board Members	Annual General Meeting	
	Attended/Held	Attendance Rate
Executive Directors		
Dr. TAN Henry, <i>SBS, BBS, JP (Vice Chairman and Chief Executive Officer)</i>	1/1	100%
Mr. CHIU George	1/1	100%
Mrs. SU TAN Jennifer Sze Tink	1/1	100%
Ms. CHEUNG Pik Shan Bonnie (<i>Appointed on April 9, 2025</i>)	1/1	100%
Non-Executive Directors		
Dr. TAN Siu Lin, <i>GBS, SBS (Chairman)</i>	1/1	100%
Mr. TAN Willie	1/1	100%
Mr. SCHWEIZER Jeffrey William (<i>Retired on April 8, 2025</i>)	N/A	N/A
Independent Non-Executive Directors		
Mr. CHAN Leung Choi Albert	1/1	100%
Mr. MA Andrew Chiu Cheung	1/1	100%
Mr. WONG Chun Tat, <i>JP</i>	1/1	100%

Directors are consulted to include any matter in the draft agenda. As part of our best practices, the agenda of Board meetings are finalized by the Chairman after taking into consideration any matters proposed by other Directors, including the independent non-executive Directors. The management has the obligation to supply the Board and the Board Committees with adequate information in a timely manner to enable the members to make informed decisions. The notice of a Board meeting is generally released at least 14 days in advance, while the finalized agenda and relevant materials are released no less than 3 days in advance.

The Company Secretary is responsible for taking minutes of the Board meetings. Draft and final minutes are sent to all Directors for comments within a reasonable time. All board papers and minutes are also made available for inspection by the Board and the Board Committees. A final draft of each minutes of meetings is made available for inspection by Directors.

The Company's Articles provide that a Board meeting shall be held (instead of passing a resolution in writing) in cases where a substantial shareholder or Director has a material conflict of interest in a matter. In the relevant Board meeting, the substantial shareholder or Director is required to abstain from voting and shall not be counted in quorum. This is also in conformity with the requirement of the CG Code.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Year and as of the date of this annual report, Dr. Tan Siu Lin is the Chairman of the Board and his son Dr. Tan Henry is the Chief Executive Officer (the “**CEO**”) of the company. The Chairman’s role is to provide leadership to and oversee the functioning of the Board to ensure that the Board acts in the best interests of the Group. The Chairman is primarily responsible for approving the agenda for each Board meeting, taking into account, where appropriate, matters raised by other Directors for inclusion in the agenda. With the support of the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive reliable, adequate and complete information in a timely manner. The Chairman also actively encourages Directors to fully engage in the Board’s affairs and make contribution to the Board’s functions.

The CEO is in charge of the Company’s operations and day-to-day management. The CEO is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board’s approval.

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring that reliable and relevant flow of information is maintained amongst members of the Board and that all procedures have been adhered to in accordance with applicable laws, rules and regulations. All Directors have access to the advice and services of the Company Secretary on corporate governance and board practices and matters.

Ms. Cheung Pik Shan Bonnie was appointed as the Company Secretary of the Company on April 9, 2019. The Company Secretary’s biography is set out in the section headed “Management Executives” on pages 20 to 23 of this annual report. During the Year, the Company Secretary undertook no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

BOARD COMMITTEES

The Board has established the Audit Committee, Remuneration Committee and Nomination Committee (collectively, “**Board Committees**”) in accordance with the CG Code and these Board Committees are mainly composed of independent non-executive Directors. Each of these Board Committees has specific written terms of reference which are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties, including access to the management and/or independent professional advice if considered necessary.

AUDIT COMMITTEE

The Audit Committee was established on the Listing Date with written terms of reference in compliance with the CG Code.

The Audit Committee comprised three independent non-executive Directors, namely Mr. Ma Andrew Chiu Cheung, Mr. Chan Leung Choi Albert and Mr. Wong Chun Tat. The Audit Committee is chaired by Mr. Ma Andrew Chiu Cheung. None of the members of the Audit Committee is a former partner of the external auditor. The Audit Committee must meet not less than two times a year with the Company's external auditor and meetings shall be held at such other times on an ad hoc/as-needed basis. It meets with the external auditor and the management of the Group to ensure that the audit findings are addressed properly. The Audit Committee has access to independent professional advice at the Company's expense if considered necessary. During the Year, we have engaged Acclime Consulting (Hong Kong) Limited ("**Acclime**") to provide internal auditing service.

The principal responsibilities of the Audit Committee include the following:

- (i) to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, to monitor the external auditor's independence and objectivity, and to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor;
- (ii) to review and monitor the integrity of the Company's financial statements and reports and consider any significant or unusual items raised by the external auditor or qualified accountant before submission to the Board;
- (iii) to review the effectiveness and adequacy of the Company's financial reporting system, internal control systems and associated procedures, risk management and corporate governance matters; and
- (iv) to review the adequacy of resources, qualifications, experience, training programs and budget of the staff of the Group's financial reporting and accounting and internal audit functions.

The Audit Committee held four meetings during the Year to review and adopt the internal audit plan proposed by Acclime, to review the Group's financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, other corporate governance matters and the appointment of the external auditor. The Audit Committee recommended to the Board that, subject to the shareholders' approval at the forthcoming AGM of the Company, Messrs. Ernst & Young ("**EY**" or the "**Auditor**") be reappointed as the external auditor of the Group for the financial year ending December 31, 2026.

The attendance record of the four Audit Committee meetings during the Year is presented below:

Audit Committee Members	Meeting Attended/Held
Independent Non-Executive Directors	
Mr. MA Andrew Chiu Cheung (<i>Chairman</i>)	4/4
Mr. CHAN Leung Choi Albert	4/4
Mr. WONG Chun Tat, <i>JP</i>	4/4

Corporate Governance Report

REMUNERATION COMMITTEE

The Remuneration Committee was established on the Listing Date with terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee include recommending to the Board the remuneration policy and structure of all the Directors and the senior management and evaluating their performance in order to make recommendations on the individual remuneration package of each of the Directors and senior management. In addition, the Remuneration Committee provides effective supervision and administration of the Company's Share Option Scheme.

The Remuneration Committee comprised two independent non-executive Directors, namely Mr. Chan Leung Choi Albert and Mr. Wong Chun Tat, and an executive Director, Dr. Tan Henry. The Remuneration Committee is chaired by Mr. Chan Leung Choi Albert.

A meeting of the Remuneration Committee is required to be held at least once a year to coincide with key dates within the financial reporting and audit cycle. The chairman of the Remuneration Committee is required to report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Remuneration Committee held one meeting during the Year to review and recommend to the Board the remuneration policy and structure of all Directors and the senior management.

The attendance record of the one Remuneration Committee meeting during the Year is presented below:

Remuneration Committee Members	Meeting Attended/Held
Independent Non-Executive Directors	
Mr. CHAN Leung Choi Albert (<i>Chairman</i>)	1/1
Mr. WONG Chun Tat, <i>JP</i>	1/1
Executive Director	
Dr. TAN Henry, <i>SBS, BBS, JP</i>	1/1

The Remuneration Committee is authorized to investigate any matter within its terms of reference and seek any information it requires from any employee and obtain legal or other independent professional advice at the cost of the Company if it considered necessary.

Pursuant to code provision E.1.5 of the CG Code, the emolument of the members of the senior management (other than the emoluments of Directors and five highest paid individuals disclosed in notes 10(a) and 11 to the consolidated financial statements pursuant to Appendix D2 to the Listing Rules) paid by the Group by band for the Year is set out below:

Emolument band	Number of Individuals
US\$64,103 to US\$128,205 (equivalent to HK\$500,001 to HK\$1,000,000)	1

During the Year, total Directors' remuneration amounted to approximately US\$419,000 (2024: US\$787,000). The executive Directors and senior management's compensation, including the long-term incentive, shall be based on the corporate and individual performance. Details of the remunerations of the Directors are set out in note 10(a) to the consolidated financial statements.

NOMINATION COMMITTEE

The Nomination Committee was established on the Listing Date with written terms of reference in compliance with the requirements of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, identify suitably qualified candidates to become members of the Board, develop the Board Diversity Policy (as defined below), assess the independence of independent non-executive Directors, and make recommendations to the Board on the appointment or re-appointment of Directors.

The Nomination Committee comprised two independent non-executive Directors, namely Mr. Wong Chun Tat and Mr. Chan Leung Choi Albert, and an executive Director, Dr. Tan Henry (until the date of his retirement on August 29, 2025). On August 29, 2025, Ms. Cheung Pik Shan Bonnie, an executive Director was appointed to be a new member of the Nomination Committee. The Nomination Committee was chaired by Mr. Wong Chun Tat.

A meeting of the Nomination Committee is required to be held at least once a year. The Nomination Committee held two meetings during the Year to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, consider the change in the composition of the Nomination Committee and each retiring Director.

The attendance record of the two Nomination Committee meetings during the Year is presented below:

Nomination Committee Members	Meeting Attended/Held
Independent Non-Executive Directors	
Mr. WONG Chun Tat, <i>JP (Chairman)</i>	2/2
Mr. CHAN Leung Choi Albert	2/2
Executive Directors	
Dr. TAN Henry, <i>SBS, BBS, JP (Retired on August 29, 2025)</i>	2/2
Ms. CHEUNG Pik Shan Bonnie (<i>Appointed on August 29, 2025</i>)	N/A

Board Diversity Policy

The Board has adopted a policy on board diversity (“**Board Diversity Policy**”) with effect from the Listing Date which sets out the Company’s approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board as it promotes board effectiveness and enables better decisions to be made. A truly diverse Board will include and make good use of differences in the qualifications, skills, experience, gender, age, cultural and education background and other qualities of the Directors.

Under the Board Diversity Policy, diversity will be considered from all relevant aspects when determining the optimum structure, size and composition of the Board. The Board may consider other factors as appropriate from time to time, taking into account the Company’s business model and specific needs. All Board appointments are ultimately made on merit and contribution that the potential candidates will bring to the Board, having due regard for the benefits of diversity and the specific needs of the Company, without focusing on a single diversity aspect.

As at 31 December 2025, we maintained a 167:162 ratio of women to men in our workforce. As regards gender diversity of the Board and senior management, we have two female Directors and seven male Directors, and one out of three members of our senior management are female.

The Board is satisfied that the Group has achieved its measurable objectives in terms of Board diversity during the Year with (i) at least one Director being female; (ii) at least one third of the Board being independent non-executive Directors; (iii) at least one Director has accounting or other professional qualifications; and (iv) at least one Director is under the age of 50.

Corporate Governance Report

Our Group is determined to continue to maintain diversity (including gender diversity) and equality in respect of its workforce.

Nomination Policy

Under the director nomination policy ("**Nomination Policy**") adopted by the Board with effect from the Listing Date, when assessing and selecting candidates for directorships, the Nomination Committee will consider the following factors:

- (i) whether the individual's educational background and qualification, skills and experience are relevant to the Company's business model and specific needs;
- (ii) the individual's character and reputation for integrity;
- (iii) whether the individual would be able to devote sufficient time to the Board;
- (iv) (in respect of appointment and reappointment of independent non-executive Directors) independence of the individual with reference to the independence criteria set out in Rule 3.13 of the Listing Rules;
- (v) how the individual would be able to contribute to the diversity of the Board with reference to the factors set out in the Board Diversity Policy; and
- (vi) Board succession planning considerations.

Nevertheless, the ultimate responsibility for the selection and appointment of Directors rests with the entire Board.

Nomination Procedures

On March 23, 2020, the Nomination Committee adopted the following nomination procedures for the appointment and reappointment of Directors.

Appointment of Directors

- (i) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate;
- (ii) The Nomination Committee may use any process it deems appropriate to evaluate the candidate(s), which may include personal interviews, background checks, presentations or written submissions by the candidate(s) and third party references;
- (iii) The Nomination Committee makes recommendation(s) to the Board;
- (iv) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy, the Board Diversity Policy and the corporate governance guidelines;
- (v) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders at the next annual general meeting after initial appointment in accordance with the Company's Articles; and
- (vi) The shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

Re-appointment of Directors

- (i) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy, the Board Diversity Policy and the corporate governance guidelines, and assesses the independence of each retiring independent non-executive Director;
- (ii) The Nomination Committee makes recommendation(s) to the Board;
- (iii) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy, the Board Diversity Policy and the corporate governance guidelines;
- (iv) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's Articles; and
- (v) The shareholders approve the re-election of Directors at the annual general meeting.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions including:

- (i) to develop and review the Company's policies, procedures and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review the effectiveness of the risk management and internal control system on an ongoing basis and to remedy material internal control weaknesses;
- (iv) to review and monitor the Company's policies, procedures and practices on compliance with legal and regulatory requirements;
- (v) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (vi) to review the adequacy of resources, staff competency, training programs and budget of the Company's accounting, internal audit and financial reporting functions; and
- (vii) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the annual report of the Company.

The Board's annual review of the Company's corporate governance practices for the Year has covered the aforesaid matters. This corporate governance report has been reviewed by the Board in fulfillment of its corporate governance responsibilities.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors acknowledge their responsibility in publishing financial statements for each financial period which give a true and fair view of the state of affairs of the Group and a clear and accurate assessment of the results and cash flows for that period. The Auditor's statement regarding its reporting responsibilities in respect of the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 121 to 125 of this annual report.

In preparing financial statements for the year ended December 31, 2025, the Directors have (i) selected suitable accounting policies and applied them consistently; (ii) made judgements and estimates that are prudent and reasonable; and (iii) prepared financial statements on a going concern basis.

The Board, having made all reasonable enquiries, is not aware of any material uncertainties relating to any events or conditions that may cause significant doubt upon the Company's ability to continue as a going concern.

The Board, taking into account (i) the banking facilities totalling US\$48,000,000 is currently fully secured by the Group's hotel assets with ample security coverage; (ii) the Group's hotels in Guam and Saipan remain open and the anticipated cash flows to be generated from the Group's operations; (iii) the fact that the Group has obtained shareholder loans facilities totalling US\$52,700,000 as of the year ended December 31, 2025. Subsequent to the year end, the Group has received a written commitment from Tan Holdings for a standby shareholder loan facility of US\$9,000,000; and (iv) Tan Holdings has committed to providing financial support to enable the Group to meet its liabilities when they fall due in the foreseeable future. Tan Holdings has further undertaken not to demand repayment of the amount due to it by the Group until the Group is in a position to repay without impairing its liquidity and financial position. Considering that (i) it is unlikely that the bank will withdraw its banking facility or demand immediate repayment in full amount of the outstanding banking facilities; and (ii) the Group will have sufficient working capital to meet its financial obligations and capital commitments as and when they fall due for the foreseeable future, the Group decided that it is appropriate to prepare the consolidated financial statements on a going concern basis.

In addition, an explanation of the basis on which the Company generates or preserves value over the longer term and the strategy for delivering the Company's objective is included in the "Chairman's Statement" and the "Management Discussion and Analysis" sections on pages 6 to 7 and pages 8 to 19 respectively.

Risk Management and Internal Control

The Board acknowledges its overall responsibility for the systems of risk management and internal controls of the Company and for reviewing their effectiveness through the Audit Committee at least annually. The Board is committed to the management, identification and monitoring of risks associated with its business activities and has implemented effective and adequate risk management and internal controls systems to safeguard the interests of the shareholders and the Group's assets.

Corporate Governance Report

The internal control procedures of the Group feature a comprehensive budgeting and financial/management reporting system to facilitate the management's ongoing review and oversight. Business strategic plans and budgets are prepared on an annual basis by the management of individual business and subject to review and approval by the Board. During the budget setting process, the likelihood and potential financial impact of fundamental business risks have been identified, evaluated and reported by the management. Specific procedures and guidelines have been established for management approval and control of capital expenditures, mergers and acquisitions, unbudgeted items, operating expenses and other matters.

The executive Directors review the monthly management reports of major business units and the financial results and hold periodic meetings with senior finance and operational management teams to review and discuss the business performance against budget, market outlooks and to address deficiencies of any key issues on a timely basis.

The Group has adopted a principle of minimizing financial and capital risks. Details of our financial and capital risk management covering market risk (including foreign exchange risk, cash flow interest rate risk), credit risk and liquidity risk are set out in note 34 to the consolidated financial statements on pages 186 to 189 of this annual report.

All major operations are governed by its standard operating procedures with authorization matrix and supplemented by written policies and procedures tailored to the respective business units and support functions. These policies and procedures are aimed to provide guidelines on key risk management and control standards for our global operations and are updated on a regular and timely basis.

The Group has engaged Acclime to provide internal auditing service (the “**Internal Audit**”) for the Year. Acclime is an independent internal audit services provider approved and adopted by the Audit Committee. Acclime acts as a significant independent resource in assisting the Audit Committee in achieving good corporate governance and exercising its oversight responsibility to ensure the effectiveness of the Group's internal control system and performing evaluation of the adequacy of the controls established to safeguard shareholders' investment and the Group's assets on an ongoing basis. Acclime has a direct reporting line to the Audit Committee.

Acclime independently reviews compliance with the Group's policies and guidelines, legal and regulatory requirements, risk management and internal controls and evaluates their adequacy and effectiveness.

The Internal Audit plan is risk-based and covers the Group's significant operations over a cycle and recurring basis. The Internal Audit plan is reviewed and endorsed by the Audit Committee. Representatives from Acclime attend meetings of the Audit Committee held during the Year to report its progress in achieving the Internal Audit plan. The scope of the Internal Audit covers significant controls including financial, operational and compliance controls and risk management policies and procedures. Major findings and recommendations including the implementation status of agreed recommendations are reported at the Audit Committee meetings. In respect of the Year, no major issues but areas of improvement have been identified. The Directors and the Audit Committee considered that the major areas of the internal control systems of the Group are reasonably effective and adequately implemented.

As part of the annual review of the effectiveness of the Group's risk management and internal control systems for the Year, management teams of business units also conducted an internal control self-assessment of business operations and relevant accounting functions and considered that sound risk management and internal control practices were in place for the Year.

The Auditor performed independent statutory audits of the Group's consolidated financial statements. The Auditor also reported to the Audit Committee that there is no significant weaknesses in our internal control which come to notice during the course of the audit.

Corporate Governance Report

The Group has adopted a code of business ethics which requires all Directors and employees to comply with a set of high ethical standards in conducting the business. The Company has also adopted the inside information policy setting out the guidelines for handling and dissemination of inside information to the Directors and employees of the Group in accordance with the applicable laws and regulations.

Up to the date of approval of this annual report, based on the respective assessments made by management and Acclime, and also taking into account the results of the audit conducted by the Auditor, the Audit Committee and the Directors considered that:

- (i) The risk management, internal control and accounting systems of the Group are designed to provide reasonable but not absolute assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorization and the financial statements are reliable for publication;
- (ii) The risk management and internal controls systems of the Group have been implemented with room for improvement and Acclime has actively conducted follow-up audit for any improvements which were identified; and
- (iii) There is a reasonably effective and adequate on-going process in place for identifying, evaluating and managing significant risks faced by the Group.

External Auditor

The Auditor has been appointed as the external auditor of the Company for the Year. The consolidated financial statements for the Year have been audited by the Auditor. The Audit Committee has been notified of the nature and the service charges of non-audit services performed by the Auditor and considered that such services have no adverse effect on the independence of the Auditor.

In the preceding three financial years, there has not been any change of Auditor of the Company.

During the Year, remuneration of approximately US\$222,000 was paid/payable to the Auditor for the provision of audit services. In addition, approximately US\$66,000 was paid/payable to the Auditor for other non-audit services.

SHAREHOLDERS' RIGHTS

A summary of certain rights of the shareholders is set out below:

Procedures for putting forward proposals at shareholders' meetings

Shareholders who wish to make proposals or move a resolution may convene an extraordinary general meeting ("**EGM**") in accordance with the "Procedures for shareholders to convene an Extraordinary General Meeting" set out below.

Procedures for shareholders to convene an Extraordinary General Meeting

Pursuant to Article 58 of the Articles, any one or more shareholders holding (at the date of deposit of the requisition) not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any written requisition to convene an EGM must state the objects of the EGM and must be signed by the requisitionist(s) concerned and deposited at the registered office of the Company (presently at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong) marked for the attention of the Company Secretary. The requisition may consist of several documents in like form, each signed by one or more of the requisitionist(s) concerned.

Procedures for directing shareholders' enquiries to the Board

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to the Directors or management of the Company in writing through the Company Secretary of the Company whose contact details are as follow:

S.A.I. Leisure Group Company Limited
5th Floor, Nanyang Plaza,
57 Hung To Road, Kwun Tong, Kowloon,
Hong Kong
Email: ir@saileisuregroup.com

The Company Secretary will forward the shareholders' enquiries, comments and suggestions to the Board and/or the relevant Board Committees of the Company, where appropriate, to answer the shareholders' questions.

In addition, shareholders may also make enquiries to the Board at the general meetings of the Company.

Shareholders should direct their questions about their shareholdings by mail to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who has been appointed by the Company to deal with shareholders for share registration and related matters.

Procedures for shareholders to propose a person for election as a Director

With effect from the Listing Date, the Company adopted a formal, considered and transparent procedure for shareholders to propose a person for election as a Director. The following procedures are subject to the Company's Articles, the Companies Law of the Cayman Islands and applicable legislation and regulation:

- (i) If a shareholder, who is entitled to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), wishes to propose a person (other than himself/herself) for election as a Director at that meeting, he/she may lodge a written notice with the Company Secretary of the Company at 5/F, Nanyang Plaza, 57 Hung To Road, Kowloon, Hong Kong.

Corporate Governance Report

- (ii) In order for the Company to inform all shareholders of that proposal, the written notice must state (i) his/her intention to propose such person for election as a Director, and (ii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company and be signed by the shareholder concerned and the person who has been proposed indicating his/her willingness to be elected.
- (iii) The period for lodgement of the above notice shall be a seven-day period commencing on a day after the despatch of the notice of the general meeting appointed for such election of Director(s). If the Directors should determine and notify the shareholders of a different period for lodgement of the above notice, such period shall in any event be a period of not less than seven days, commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.
- (iv) Upon receipt of the above notice from a shareholder which is received after publication of the notice of general meeting, the Company shall, prior to the general meeting, publish an announcement or issue a supplementary circular disclosing the particulars of the proposed Director pursuant to Rule 13.51(2) of the Listing Rules.

For shareholders who would like to nominate a person for election as a Director at the forthcoming AGM, please refer to the notice of the AGM to be published for further information on the relevant nomination period.

DIVIDEND POLICY

The Company intends to maintain a balance between rewarding the shareholders and retaining adequate capital for development and operation of the Company's business. The Company has adopted a dividend policy ("**Dividend Policy**"), pursuant to which the Company may declare and distribute dividends to the shareholders. The recommendation of the payment of any dividend is subject to the discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders.

According to the Dividend Policy, in deciding whether to declare or recommend a dividend, the Board shall consider the following factors:

- (i) the general financial condition of the Group;
- (ii) the actual and future operations and liquidity positions of the Group;
- (iii) the future cash requirements and availability;
- (iv) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (v) the general market conditions;
- (vi) the future development of the Group; and
- (vii) any other factor that the Board deems appropriate.

The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific period.

SHAREHOLDERS COMMUNICATION POLICY

The Board believes the importance of maintaining transparent, timely and effective communication with the shareholders and investors of the Company. Effective communication with shareholders enables shareholders to have a clear assessment of the Group's performance and establishes investor confidence and enables them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

According to the Shareholders Communication Policy of the Company adopted by the Board on April 16, 2019, a summary of the major means of communication with the shareholders are as follows:

Financial and other reporting

The Company reports operating results on a half-yearly basis and produces interim and annual reports in accordance with the Listing Rules and other applicable laws and regulations. From time to time, the Company communicates other information to shareholders by way of Company's announcement and/or circular, in compliance with the relevant regulatory requirements or otherwise.

Disclosure of information on corporate website

All material information in both English and Chinese about the Group is made available on the Company's website (www.saileisuregroup.com). In addition to a dedicated "Investor Relations" section in which the annual reports, interim reports, announcements and circulars of the Company are posted as soon as practicable following their release to the Stock Exchange on the website of HKEX, relevant press releases and speeches are also made available on the Company's website to facilitate communication between the Company, shareholders and the investment community.

General meetings with shareholders

The annual general meetings and other general meetings of the Company are the primary forum for communication with shareholders and for shareholders' participation. Voting at general meetings is conducted by way of poll in accordance with the Listing Rules. The poll results will be published on the respective websites of the Stock Exchange and the Company after the conclusion of the general meetings. The Company encourages shareholders to participate in shareholders' meetings physically or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend.

The 2026 AGM of the Company is expected to be held on May 28, 2026. The notice of the AGM will be sent to the shareholders at least 20 clear business days before the AGM. The Chairman and members of the Board and chairmen of the various Board committees or their duly appointed delegates will attend the forthcoming AGM to answer questions raised by the shareholders.

Shareholders enquiries

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company.

The Company's Shareholders Communication Policy is subject to regular review by the Board and will be amended (as appropriate) from time to time. During the Year, in accordance with the Shareholders Communication Policy and the relevant rules and regulations:

- The Company has published annual reports, interim reports, circulars and announcements in a timely manner on websites of the Stock Exchange and the Company;
- The Company has published terms of reference of committees of Board on the Company's website;
- Shareholders are given the opportunity to meet the Directors and to raise questions at the Company's annual general meeting each year. The Chairman of the Board, executive Directors, non-executive Directors and independent non-executive Directors, members of the senior management and the external auditor of the Company will attend the annual general meetings to answer questions from the shareholders;
- Shareholders may put forward proposals and resolutions for consideration at general meetings. Please refer to the section headed "Shareholders' Rights" of this report;

Corporate Governance Report

- All shareholders are welcome at all times to give feedback to and communicate with the Directors or management through the Company Secretary by post to the Company's principal place of business in Hong Kong; and
- All shareholders may direct their questions about their shareholdings to Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, for share registration and related matters.

The Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy during the Year. With the above measures in place, the Board is satisfied with the implementation and effectiveness of the Shareholders Communication Policy.

CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on June 2, 2022, a special resolution was passed to amend the then existing Articles of the Company to, amongst others, (i) to allow general meetings to be held as hybrid meetings where shareholders may attend by means of electronic facilities in addition to as physical meetings where shareholders attend in person; (ii) to set out other related powers of the Board and the chairman of the general meetings, including but not limited to making arrangements for attendance as well as ensuring the security and orderly conduct of such general meetings; (iii) to reflect certain amendments in the Listing Rules and the applicable laws of Hong Kong and the Cayman Islands; and (iv) to make other minor consequential and tidying-up amendments for house-keeping purposes. Please refer to the Company's announcement dated March 29, 2022 and circular dated April 23, 2022 for details of the changes made to the previous version of the Articles.

Furthermore, at the annual general meeting of the Company held on May 30, 2024, a special resolution was passed to amend the then existing Articles of the Company to, amongst others, bringing the Articles in line with the latest regulatory requirements in relation to the expanded paperless listing regime and electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect on December 31, 2023, as well as other housekeeping changes. Please refer to the Company's announcement dated March 26, 2024 and circular dated April 12, 2024 for details of the changes made to the previous version of the Articles. Save as disclosed above, there was no change in the constitutional documents of the Company during the Year. The latest version of the Company's Memorandum and Articles are available on the respective websites of the Stock Exchange and the Company.



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To the Shareholders of S.A.I. Leisure Group Company Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of S.A.I. Leisure Group Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 126 to 191, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *HKICPA's Code of Ethics for Professional Accountants* (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements which indicates that the Group had net current liabilities of US\$40,250,000 as at December 31, 2025 and incurred a net loss of US\$16,840,000 for the year then ended. Included in its current liabilities was an interest-bearing term loan of US\$35,200,000 and a revolving loan of US\$5,000,000, both of which are repayable on demand. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment on property, plant and equipment of the hotel assets

The carrying amount of the property, plant and equipment of the hotels assets (including right-of-use assets) as at December 31, 2025 was US\$105,646,000, which represented 98.3% of the carrying amount of the Group's property, plant and equipment and 82.5% of the Group's total assets.

In accordance with Hong Kong Accounting Standard ("HKAS") 36 *Impairment of Assets* issued by the HKICPA, where an indication of impairment on cash-generating units containing these assets exists, the Group will estimate the recoverable amounts of the relevant cash-generating units, which are the higher of the value in use and the fair value less costs of disposal. An impairment loss is recognized only if the carrying amount of a cash-generating unit exceeds its recoverable amount.

Since the Group's hotels and resorts segment has been loss-making for some time, the Group considered that impairment indications existed for cash-generating units containing the hotel assets. In this regard, the Group carried out impairment assessments to assess the recoverable amounts of these cash-generating units.

In respect of the estimation of the recoverable amount of each of the cash-generating units containing hotels assets prepared by the Group, we evaluated the calculation of the recoverable amount estimation and other assumptions (including the occupancy rate, room charge, growth rate, etc.) and involved our valuation specialists to assist us in evaluating the discount rate used. In addition, we discussed with management of the Company about the parameters and assumptions used in the cash flow forecast estimation and obtained corroborative evidence to evaluate their reasonableness.

We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment on property, plant and equipment of the hotel assets *(Continued)*

The recoverable amounts of the cash-generating units containing hotel assets were estimated by the Group using a value-in-use calculation. The estimation of the recoverable amounts was based on, inter alia, future cash flows of the relevant cash-generating units, which can be subjective in nature and involved various management assumptions regarding the occupancy rate, room charge and growth rate estimation.

Given the complexity and judgmental nature of the impairment test, we considered this a key audit matter.

Related disclosures are included in notes 3, 4 and 15 to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lam Wai Ming, Ada (practising certificate number: P04699).

Ernst & Young

Certified Public Accountants

Hong Kong

March 30, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Revenue	6	45,114	42,795
Cost of inventories sold	9	(4,861)	(4,469)
Food and beverage costs	9	(3,127)	(2,545)
Employee benefit expenses	9	(14,528)	(14,613)
Utilities, repairs and maintenance		(6,792)	(6,598)
Other gains, net	7	1,277	1
Other operating costs		(28,820)	(25,535)
Other expenses, net	9	(1,217)	(3,490)
Operating loss		(12,954)	(14,454)
Finance income	8	45	5
Finance costs	8	(3,931)	(4,632)
Finance costs, net	8	(3,886)	(4,627)
Loss before tax	9	(16,840)	(19,081)
Income tax credit	12	—	5
Loss for the year and total comprehensive loss for the year		(16,840)	(19,076)
Loss and total comprehensive loss attributable to:			
Owners of the Company		(16,579)	(18,955)
Non-controlling interests		(261)	(121)
		(16,840)	(19,076)
Loss per share attributable to owners of the Company			
— Basic and diluted (US cents)	14	(4.6)	(5.3)

Consolidated Statement of Financial Position

As at December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	107,456	117,786
Investment properties	16	332	356
Intangible assets	17	17	38
Deferred tax assets	28	6,583	6,583
Prepayments and deposits	20	759	1,422
Total non-current assets		115,147	126,185
Current assets			
Inventories	18	2,616	3,591
Trade receivables	19	1,818	1,903
Prepayments, deposits and other receivables	20	2,087	2,501
Amounts due from related parties	31	252	181
Income tax recoverable		2,549	2,561
Cash and cash equivalents	21	3,566	3,192
Total current assets		12,888	13,929
Total assets		128,035	140,114
EQUITY			
Equity attributable to owners of the Company			
Issued share capital	22	461	461
Share premium	22	38,122	38,122
Capital reserve	23(a)	28,854	28,854
Other reserve	23(b)	4,836	4,836
Accumulated losses		(54,401)	(37,822)
Non-controlling interests	24	17,872 (734)	34,451 (473)
Total equity		17,138	33,978

Consolidated Statement of Financial Position

As at December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
LIABILITIES			
Non-current liabilities			
Other borrowings	27	42,483	32,242
Lease liabilities	15(c)	15,276	15,870
Total non-current liabilities		57,759	48,112
Current liabilities			
Trade and other payables	25	10,646	11,857
Bank borrowings	26	40,200	44,500
Other borrowings	27	1,253	685
Lease liabilities	15(c)	569	666
Amounts due to related parties	31	433	279
Income tax payable		37	37
Total current liabilities		53,138	58,024
Total liabilities		110,897	106,136
Total equity and liabilities		128,035	140,114

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Dr. Tan Siu Lin

Director

.....
Dr. Tan Henry

Director

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

	Attributable to owners of the Company					Subtotal US\$'000	Non- controlling interests US\$'000	Total US\$'000
	Issued share capital US\$'000 (Note 22)	Share premium US\$'000 (Note 22)	Capital reserve US\$'000 (Note 23(a))	Other reserve US\$'000 (Note 23(b))	Accumulated losses US\$'000			
At December 31, 2023 and January 1, 2024	461	38,122	27,006	4,836	(18,867)	51,558	(352)	51,206
Loss for the year and total comprehensive loss for the year	–	–	–	–	(18,955)	(18,955)	(121)	(19,076)
Deemed capital contribution (Note 23(a))	–	–	1,848	–	–	1,848	–	1,848
At December 31, 2024 and January 1, 2025	461	38,122	28,854	4,836	(37,822)	34,451	(473)	33,978
Loss for the year and total comprehensive loss for the year	–	–	–	–	(16,579)	(16,579)	(261)	(16,840)
At December 31, 2025	461	38,122	28,854	4,836	(54,401)	17,872	(734)	17,138

Consolidated Statement of Cash Flows

Year ended December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Cash flows from operating activities			
Loss before tax		(16,840)	(19,081)
Adjustments for:			
Depreciation of property, plant and equipment	9	10,479	11,114
Depreciation of investment properties	9	14	16
Amortization of intangible assets	9	24	22
Reversal of impairment of trade receivables	9	—	(115)
Provision/(reversal of provision) for obsolete inventories	9	10	(79)
Write-off of investment property	9	19	—
Write-off of property, plant and equipment	9	1,188	4
Impairment of property, plant and equipment	9	—	3,680
Interest income	8	(45)	(5)
Interest expenses	8	3,931	4,632
Gains on disposal of property, plant and equipment	7	(73)	—
Gain on early termination of lease contract	7	—	(3)
Operating (loss)/profit before changes in working capital		(1,293)	185
Changes in working capital:			
Decrease/(increase) in inventories		965	(381)
Decrease in trade receivables		85	1,659
Decrease in prepayments, deposits and other receivables		1,077	2,802
Decrease in trade and other payables		(1,213)	(2,256)
Increase in amounts due from related parties		(71)	(76)
Increase/(decrease) in amounts due to related parties		155	(179)
Net cash (used in)/generated from operations		(295)	1,754
Income tax refunded		12	—
Net cash flows (used in)/generated from operating activities		(283)	1,754

Consolidated Statement of Cash Flows

Year ended December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,325)	(2,726)
Additions to intangible assets		(3)	(14)
Proceeds from disposal of property, plant and equipment		73	—
Interest received		45	5
Net cash flows used in investing activities		(1,210)	(2,735)
Cash flows from financing activities			
New bank loans		200	—
Repayment of bank loans		(4,500)	(3,133)
New other loans		11,100	8,100
Repayment of other loans		(600)	—
Principal portion of lease payments		(712)	(840)
Interest paid		(3,621)	(4,392)
Net cash flows generated from/(used in) financing activities		1,867	(265)
Net increase/(decrease) in cash and cash equivalents		374	(1,246)
Cash and cash equivalents at beginning of year		3,192	4,438
Cash and cash equivalents at end of year	21	3,566	3,192
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	3,566	3,192

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1 CORPORATE AND GROUP INFORMATION

S.A.I. Leisure Group Company Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The shares of the Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since May 16, 2019 (the “**Listing**”).

The Company is an investment holding company. During the Year, the Company and its subsidiaries (together, the “**Group**”) were principally engaged in (i) hotels and resorts operations in Saipan and Guam; (ii) travel retail business of luxury and leisure clothing and accessories in Saipan, Guam and Hawaii; and (iii) provision of destination services in Saipan and Guam.

The immediate holding company and intermediate holding company of the Company are THC Leisure Holdings Limited (“**THC Leisure**”) and Tan Holdings Corporation (“**Tan Holdings**”), respectively. Dr. Tan Siu Lin and Dr. Tan Henry (the son of Dr. Tan Siu Lin) are ultimate controlling parties.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Company name	Place of incorporation/ establishment	Issued and fully paid share capital	Percentage of equity attributable to the Company (Indirect)	Principal activities
Asia Pacific Hotels, Inc.	The Commonwealth of the Northern Mariana Islands (the “ CNMI ”)	US\$15,000,000	100	Hotels and resorts operations
Gemkell (Saipan) Corporation	The CNMI	US\$100,000	80	Retail of luxury travel accessories
Asia Pacific Hotels, Inc. (Guam)	Guam	US\$9,500,000	100	Hotels and resorts operations
Gemkell Corporation	Guam	US\$80,000	80	Retail of luxury travel accessories
Gemkell U.S.A. LLC	Hawaii	US\$1,000,000	80	Retail of luxury travel accessories

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in United States dollars (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going Concern

As at December 31, 2025, the Group had net current liabilities of US\$40,250,000 and incurred a net loss of US\$16,840,000 for the year then ended. Included in its current liabilities was an interest-bearing term loan of US\$35,200,000 and a revolving loan of US\$5,000,000, both of which are repayable on demand, for the renovation and upgrade works of hotels in Guam and Saipan.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient resources to continue as a going concern. The following plans and measures have been undertaken to mitigate the liquidity pressure and to improve the financial position of the Group:

- Pursuant to the terms and conditions of the facilities with a bank, the Group will be subject to certain undertakings including but not limited to financial covenants. The Group closely monitors its compliance with the undertakings and financial covenants of the banking facilities. As at December 31, 2025, the Group did not comply with a financial covenant of the banking facilities with an aggregate amount of US\$48,000,000. Consent waiver of non-compliance to the financial covenant has been received by the Group subsequent to the reporting period.

Based on the latest communication between management and the bank regarding the compliance of undertakings and financial covenants, the Directors are not aware of any intention of the bank to withdraw its banking facilities or demand immediate repayment of the bank borrowings. The Group has also placed an aggregate amount equivalent to three-month loan repayments (including interest payments and principal repayments) into its Debt Service Reserve Account with the bank. Furthermore, as the banking facilities are fully secured by certain of the Group’s hotel assets with ample security coverage, the Directors believe that the existing banking facilities will continue to be available to the Group given the good track records and relationship the Group has with the bank;

- The Group will continue its efforts to generate sufficient cash flows from operating activities by implementing measures in expediting the collection of outstanding trade receivables, improving sales and containing capital and operating expenditures to retain sufficient working capital for the operations of the Group;

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation and presentation (Continued)

Going concern (Continued)

- The Group has obtained shareholder loans facilities totaling US\$52,700,000 from Tan Holdings, of which US\$43,600,000 had been drawn down as at December 31, 2025. On March 30, 2026, the Group has entered into a deed of amendment of the payment clause with Tan Holdings for two out of seven tranches of shareholder loans, with an aggregated principal of US\$15,000,000. Under the amended terms, the contractual repayment date of the relevant loan principal and the related interest was changed from 2029 and 2030, respectively to no fixed maturity, and repayment of both principal and interest shall be made only when determined by the Company. As a result of this amendment, the Company will reclassify US\$15,000,000 of the utilized shareholder loans as perpetual loans in 2026 in accordance with the amended repayment terms;
- In March 2026, the Group also received a written commitment from Tan Holdings for a standby shareholder loan facility of US\$9,000,000. Furthermore, Tan Holdings has committed to providing financial support to enable the Group to meet its liabilities when they fall due in the foreseeable future (at least twelve months from the date of the consolidated financial statements). Tan Holdings has undertaken not to demand repayment of the amount due to it by the Group until the Group is in a position to repay without impairing its liquidity and financial position; and
- The Group will consider obtaining additional sources of funding as and when needed to enhance its financial position and support the operations of the Group.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from December 31, 2025. In the opinion of the Directors, taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due for a period of not less than twelve months from December 31, 2025. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Group's ability to generate sufficient cash flows to continue as a going concern is subject to significant uncertainty and will depend on the successful outcome of the above plans and measures. Should the Group be unable to achieve the above plans and measures so as to continue as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation and presentation (Continued)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 ACCOUNTING POLICIES (Continued)

2.3 Issued but Not Yet Effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analyzing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 ACCOUNTING POLICIES (Continued)

2.3 Issued but Not Yet Effective HKFRS Accounting Standards (Continued)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include HKFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight.

The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 ACCOUNTING POLICIES (Continued)

2.3 Issued but Not Yet Effective HKFRS Accounting Standards (Continued)

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognize any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets *(Continued)*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parities

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	20 to 48 years
Renovation and leasehold improvements	Shorter of lease term or 10 to 20 years
Plant and machinery	5 to 15 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	3 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are stated at cost, including transaction costs, less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of an investment property over its estimated useful lives of 20 to 48 years. The depreciation period and the depreciation method for an investment property are reviewed at least at each financial year end.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with HKAS 16 *Property, Plant and Equipment*.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Purchased computer software is stated at cost less any impairment losses and are amortized on the straight-line basis over their estimated useful lives of 5 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	10 to 60 years
Buildings	2 to 8 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Group's right-of-use assets are included in property, plant and equipment.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of offices (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

The Group's financial assets are classified, at initial recognition, as subsequently measured at amortized cost and fair value through other comprehensive income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“**SPPI**”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (“**ECLs**”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1: Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2: Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized costs, which are recognized initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, amounts due to related parties, bank borrowings and other borrowings.

Subsequent measurement

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to disposal. Hotel consumables including linens and toiletries are expensed-off as incurred.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Hotels and resorts operation*

Revenue from room charge is recognized over time during the period of stay for the hotel guests because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group sells the rooms directly either to tour operators on a wholesales basis, traditional travel agents (“**TTAs**”), several corporate customers and individuals. The Group also sells the rooms through the online travel agents (“**OTAs**”) to the end customers. On this basis, tour operators, TTAs, several corporate customer and individuals are accounted for as the Group’s customers. The Group has an agency relationship with OTAs whereby OTAs would book the room when they receive customers’ order and in return receive fixed rate commission for their service. As such, the Group regards OTAs as the agents of the Group and their end-guests as the Group’s customers. Revenue is recognized based on the amount received from the end-guests and payment made to the OTAs is recorded as commission expenses.

Revenue from food and beverage sales is recognized at the point in time when the food and beverage are delivered to the customers.

(b) *Luxury travel retail operation*

Revenue from the sale of goods is recognized at the point in time when control of the products is transferred to the customers, generally on delivery of the products.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(c) Destination services operation

Revenue from provision of tour services is recognized over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from sales of souvenirs and others is recognized at a point of time when the control of the products is transferred to the customers, generally on delivery of the products.

Revenue from the land arrangement activities is recognized when the services are rendered to the customers.

Revenue from other sources

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits – Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Saipan, Guam and Hawaii are required to participate in a defined contribution pension scheme as defined in subsection 401(k) of the Internal Revenue Code in the United States. These subsidiaries may make matching or non-elective contributions to the plan on behalf of eligible employees that is limited to a maximum pre-tax annual contribution of US\$23,500 (2024: US\$23,000) for the year ended December 31, 2024. The contributions to the scheme are charged to profit or loss as and when they incurred. The Group’s employer contribution vest fully once made.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 MATERIAL ACCOUNTING POLICIES *(Continued)*

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

These financial statements are presented in US dollars, which is the Company's and its subsidiaries' functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

(a) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Significant judgement in determining the lease term of contract(s) with renewal option(s)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimates

The key assumptions concerning the future and other key sources of estimation at the end of the reporting year, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Useful lives and residual values of property, plant and equipment

The Group's management determines the useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge when useful lives and residual values are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation in the future periods.

(b) Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(c) Write-down of inventories to net realizable value

Impairment of inventories is made based on the assessment of net realizable value, which is the amount the inventories are expected to realize. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period. Significant management estimates are required in the estimates. When the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying values of inventories and the amount of impairment/reversal in the periods in which such estimates have been changed.

(d) Provision for expected credit losses on trade receivables

For trade receivable from a governmental authority, the credit quality of a governmental authority has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. Other than the trade receivables from a government authority, the Group uses a provision matrix to calculate ECLs for trade receivables, by applying ECL rates to different ageing groups of customers with similar credit risk characteristics. The ECL rate of each ageing group is determined by the Group based on the average of historical incurred credit loss experience on each ageing group in the past years and, where material, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimates *(Continued)*

(d) **Provision for expected credit losses on trade receivables** *(Continued)*

The Group's historical credit loss experience and forecast of economic conditions may not be representative of a customer's actual default in the future and significant management estimates are required in the estimates. When the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying amounts of trade receivables and the amount of ECLs provided or reversed in the periods in which such estimates have been changed. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

5 SEGMENT INFORMATION

The executive directors of the Company have been identified as the Group's chief operating decision-maker (the "**CODM**"). The CODM has determined the operating segments based on the reports reviewed by them that are used to make strategic decisions and resources allocation. For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

- (a) Hotels and resorts: operation of hotels and leasing of commercial premises located within the hotel buildings in Saipan and Guam (the "**Hotels & Resorts Segment**");
- (b) Luxury travel retail: sales of luxury and leisure clothing and accessories in retail stores in Saipan, Guam and Hawaii (the "**Luxury Travel Retail Segment**"); and
- (c) Destination services: provision of destination activities including (i) operation of souvenir and convenience stores in Saipan and Guam; (ii) excursion tour operation in Saipan; and (iii) provision of land arrangement and concierge services in Saipan (the "**Destination Services Segment**").

The Group's business activities are conducted predominantly in Saipan, Guam and Hawaii.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance income, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets and liabilities information is not disclosed as they are not regularly reviewed by the CODM.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 SEGMENT INFORMATION (Continued)

The segment information provided to the Group's CODM for the reportable segments for the years ended December 31, 2025 and 2024 are as follows:

	Hotels and resorts		Luxury travel retail		Destination services		Total	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Segment revenue (Note 6)								
Sales to external customers	36,470	34,458	7,593	7,414	1,051	923	45,114	42,795
Intersegment sales	75	74	—	—	8	—	83	74
Total segment revenue	36,545	34,532	7,593	7,414	1,059	923	45,197	42,869
Reconciliation:								
Elimination of intersegment sales							(83)	(74)
							45,114	42,795
Segment results	(9,886)	(11,936)	(1,217)	(514)	(484)	(294)	(11,587)	(12,744)
Corporate and other unallocated expenses							(1,367)	(1,710)
Finance income							45	5
Finance costs							(3,931)	(4,632)
Loss before tax							(16,840)	(19,081)
Income tax credit							—	5
Loss for the year							(16,840)	(19,076)
Other segment information:								
Depreciation of property, plant and equipment:								
Segment assets	9,908	10,556	524	517	47	40	10,479	11,113
Unallocated assets	—	—	—	—	—	—	—	1
							10,479	11,114
Depreciation of investment properties	14	16	—	—	—	—	14	16
Amortization of intangible assets	20	20	1	1	3	1	24	22
Provision/(reversal of provision) for obsolete inventories	—	12	10	(91)	—	—	10	(79)
Reversal of impairment of trade receivables	—	(115)	—	—	—	—	—	(115)
Write-off of investment property	19	—	—	—	—	—	19	—
Write-off of property, plant and equipment	1,186	4	2	—	—	—	1,188	4
Impairment of property, plant and equipment	—	3,680	—	—	—	—	—	3,680
Capital expenditure*:								
Segment assets	1,143	2,134	—	587	183	19	1,326	2,740
Unallocated assets	—	—	—	—	—	—	2	—
							1,328	2,740

* Capital expenditure consists of addition of property, plant and equipment, investment properties and intangible assets except right-of-use assets.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	2025 US\$'000	2024 US\$'000
Saipan	16,117	17,063
Guam	27,010	23,677
Hawaii	1,987	2,055
	45,114	42,795

The revenue information above is based on the locations at which the services were rendered or the goods delivered.

(b) Non-current assets

	2025 US\$'000	2024 US\$'000
Saipan	40,140	44,232
Guam	66,669	73,195
Hawaii	995	1,335
Hong Kong	1	—
	107,805	118,762

The non-current assets information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about major customers

The revenue from external parties is derived from numerous external customers and the revenue reported to the executive Directors is measured in a manner consistent with that in the consolidated financial statements.

All customers individually accounted for less than 10% of the Group's revenue for the years ended December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6 REVENUE

An analysis of revenue is as follows:

	2025 US\$'000	2024 US\$'000
<i>Revenue from contracts with customers</i>		
Hotels and resorts operations	36,271	34,292
Luxury retail, souvenir and convenience stores operations	8,531	8,213
Excursion tour services	113	124
	44,915	42,629
<i>Revenue from other sources</i>		
Rental income	199	166
	45,114	42,795

(a) Disaggregated revenue information

Year ended December 31, 2025

Segments	Hotels and resorts US\$'000	Luxury travel retail US\$'000	Destination services US\$'000	Total US\$'000
Types of goods or services				
<i>Revenue from contracts with customers</i>				
– Room charge	25,947	–	–	25,947
– Food and beverage	9,384	–	–	9,384
– Sale of luxury and leisure clothing and accessories	–	7,593	–	7,593
– Sale of souvenirs and others	–	–	938	938
– Operating excursion tour and rendering of land arrangement services	–	–	113	113
– Other hospitality (Note (i))	940	–	–	940
Total revenue from contracts with customers	36,271	7,593	1,051	44,915
<i>Revenue from other sources</i>				
– Rental income (Note (ii))	199	–	–	199
Total revenue	36,470	7,593	1,051	45,114

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6 REVENUE (Continued)

(a) Disaggregated revenue information (Continued)

Year ended December 31, 2025 (Continued)

Segments	Hotels and resorts US\$'000	Luxury travel retail US\$'000	Destination services US\$'000	Total US\$'000
Geographical markets				
<i>Revenue from contracts with customers</i>				
— Saipan	14,003	1,235	819	16,057
— Guam	22,268	4,371	232	26,871
— Hawaii	—	1,987	—	1,987
Total revenue from contracts with customers	36,271	7,593	1,051	44,915
<i>Revenue from other sources</i>				
— Rental income (Note (ii))	199	—	—	199
Total revenue	36,470	7,593	1,051	45,114
Timing of revenue recognition				
<i>Revenue from contracts with customers</i>				
— Goods transferred at a point in time	10,324	7,593	938	18,855
— Services transferred over time	25,947	—	113	26,060
Total revenue from contracts with customers	36,271	7,593	1,051	44,915
<i>Revenue from other sources</i>				
— Rental income (Note (ii))	199	—	—	199
Total revenue	36,470	7,593	1,051	45,114

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6 REVENUE (Continued)

(a) Disaggregated revenue information (Continued)

Year ended December 31, 2024

Segments	Hotels and resorts US\$'000	Luxury travel retail US\$'000	Destination services US\$'000	Total US\$'000
Types of goods or services				
<i>Revenue from contracts with customers</i>				
— Room charge	24,864	—	—	24,864
— Food and beverage	8,532	—	—	8,532
— Sale of luxury and leisure clothing and accessories	—	7,414	—	7,414
— Sale of souvenirs and others	—	—	799	799
— Operating excursion tour and rendering of land arrangement services	—	—	124	124
— Other hospitality (Note (i))	896	—	—	896
Total revenue from contracts with customers	34,292	7,414	923	42,629
<i>Revenue from other sources</i>				
— Rental income (Note (ii))	166	—	—	166
Total revenue	34,458	7,414	923	42,795

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6 REVENUE (Continued)

(a) Disaggregated revenue information (Continued)

Year ended December 31, 2024 (Continued)

Segments	Hotels and resorts US\$'000	Luxury travel retail US\$'000	Destination services US\$'000	Total US\$'000
Geographical markets				
<i>Revenue from contracts with customers</i>				
— Saipan	14,841	1,434	734	17,009
— Guam	19,451	3,925	189	23,565
— Hawaii	—	2,055	—	2,055
Total revenue from contracts with customers	34,292	7,414	923	42,629
<i>Revenue from other sources</i>				
— Rental income (Note (ii))	166	—	—	166
Total revenue	34,458	7,414	923	42,795
Timing of revenue recognition				
<i>Revenue from contracts with customers</i>				
— Goods transferred at a point in time	9,428	7,414	799	17,641
— Services transferred over time	24,864	—	124	24,988
Total revenue from contracts with customers	34,292	7,414	923	42,629
<i>Revenue from other sources</i>				
— Rental income (Note (ii))	166	—	—	166
Total revenue	34,458	7,414	923	42,795

Notes:

- (i) Other hospitality mainly represents late check-out charges, cancellation charges, laundry income, sales of items from mini bar, smoking fee and extra bed charges.
- (ii) Rental income mainly represents income derived from lease of hotel space to third-party operating services and facilities.
- (iii) No revenue recognized during the year ended December 31, 2025 related to performance obligations satisfied or partially satisfied in previous periods (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6 REVENUE (Continued)

(b) Performance obligations

Information about the Group's performance obligations in contracts with customers is summarized below:

Room charge

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services, except for the sale to tour operators on a wholesale basis, traditional travel agents, several corporate customers and individuals. For the sales with OTAs, payment are either settled by the end-guests upon checkout or settled by OTAs on a monthly basis. For certain sales with corporate customers, a credit term of 30 days is granted.

Sale of goods (including food and beverage, luxury and leisure clothing and accessories, souvenirs and others)

The performance obligation is satisfied at the point in time when control of the products is transferred to the customers, generally on delivery of the products. Payment of the transaction is due immediately at the point when the customer purchases the goods.

The Group does not provide any sales-related warranties nor right of return by customers under the Group's standard contract terms.

Operating excursion tour and rendering of land arrangement services

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

There were no amounts of transaction prices allocated to the remaining performance obligations related to the sales of goods, operating excursion tour and rendering of land arrangement services (unsatisfied or partially unsatisfied) as at the end of the year. As the remaining performance obligations for room charge are part of the revenue contracts that have an original expected duration of one year or less, the Group has elected the practical expedient in HKFRS 15 for not to disclose the amount of the transaction price allocated to these performance obligations.

7 OTHER GAINS, NET

	2025 US\$'000	2024 US\$'000
Net exchange losses	(2)	(2)
Gains on disposal of property, plant and equipment	73	—
Gain on early termination of lease contract	—	3
Insurance claims for typhoon damage	1,206	—
	1,277	1

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

8 FINANCE COSTS, NET

	2025 US\$'000	2024 US\$'000
Finance income:		
— Interest income from bank deposits	—	5
— Interest income on Employee Retention Credit refund	45	—
	45	5
Finance costs:		
— Interest expenses on lease liabilities (Note 15(c)(iii))	(751)	(809)
— Interest expenses on Paycheck Protection Program loans, net of amounts forgiven	(1)	(1)
— Interest expenses on bank borrowings	(2,870)	(3,583)
— Interest expenses on other borrowings	(64)	(4)
— Imputed interest expenses on other borrowings (Note 27)	(245)	(235)
	(3,931)	(4,632)
Finance costs, net	(3,886)	(4,627)

9 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Note	2025 US\$'000	2024 US\$'000
Employee benefit expenses (including directors' remuneration — Note 10):			
Wages, salaries and other benefits		14,456	14,569
Pension scheme contributions (defined contribution scheme)*		72	44
		14,528	14,613
Other expenses/(income):			
Reversal of impairment of trade receivables	19	—	(115)
Provision/(reversal of provision) for obsolete inventories	18	10	(79)
Write-off of investment property	16	19	—
Write-off of property, plant and equipment	15	1,188	4
Impairment of property, plant and equipment	15	—	3,680
		1,217	3,490
Cost of inventories sold		4,861	4,469
Food and beverage costs		3,127	2,545
Lease payment not included in the measurement of lease liabilities**	15(c)(iii)	1,144	1,022
Depreciation of property, plant and equipment**	15	10,479	11,114
Depreciation of investment properties**	16	14	16
Amortization of intangible assets**	17	24	22
Auditors' remuneration**		222	222

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

** These items are included in "Other operating costs" in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10 DIRECTORS' REMUNERATION

(a) Directors' emoluments

An analysis of the directors' remuneration, on a named basis, is as follow:

	Director's fee US\$'000	Salary US\$'000	Discretionary bonuses US\$'000	Allowances and other benefits in kind US\$'000	Employer's contribution to a retirement benefit scheme US\$'000	Total US\$'000
For the year ended December 31, 2025						
<i>Executive directors</i>						
Dr. Tan Henry (Note (i) and (iv))	—	—	—	—	—	—
Mr. Chiu George (Note (iv))	—	—	—	—	—	—
Mrs. Su Tan Jennifer Sze Tink	—	167	—	—	—	167
Ms. Cheung Pik Shan Bonnie (Note (iii))	—	122	—	4	2	128
<i>Non-executive directors</i>						
Dr. Tan Siu Lin (Note (iv))	—	—	—	—	—	—
Mr. Tan Willie (Note (iv))	—	—	—	—	—	—
Mr. Schweizer Jeffrey William (Note (ii))	10	—	—	—	—	10
<i>Independent Non-Executive Directors</i>						
Mr. Chan Leung Choi Albert	38	—	—	—	—	38
Mr. Ma Andrew Chiu Cheung	38	—	—	—	—	38
Mr. Wong Chun Tat	38	—	—	—	—	38
	124	289	—	4	2	419
For the year ended December 31, 2024						
<i>Executive directors</i>						
Dr. Tan Henry (Note (i))	—	280	—	—	—	280
Mr. Chiu George	—	150	—	—	—	150
Mrs. Su Tan Jennifer Sze Tink	—	167	—	—	—	167
<i>Non-executive directors</i>						
Dr. Tan Siu Lin	19	—	—	—	—	19
Mr. Tan Willie	19	—	—	—	—	19
Mr. Schweizer Jeffrey William	38	—	—	—	—	38
<i>Independent Non-Executive Directors</i>						
Mr. Chan Leung Choi Albert	38	—	—	—	—	38
Mr. Ma Andrew Chiu Cheung	38	—	—	—	—	38
Mr. Wong Chun Tat	38	—	—	—	—	38
	190	597	—	—	—	787

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10 DIRECTORS' REMUNERATION *(Continued)*

(a) Directors' emoluments *(Continued)*

Notes:

- (i) Dr. Tan Henry is the Group's chief executive officer.
- (ii) Mr. Schweizer Jeffrey William was retired as a non-executive Director upon the expiry of the term of his letter of appointment with the Company on April 8, 2025.
- (iii) Ms. Cheung Pik Shan Bonnie was appointed as an executive Director of the Company with effect from April 9, 2025.
- (iv) During the year ended December 31, 2025, Dr. Tan Siu Lin, Dr. Tan Henry, Mr. Tan Willie and Mr. Chiu George have agreed to waive their emoluments.

No director fees were paid to these directors in their capacity as directors of the Company or the subsidiaries and no emoluments were paid by the Company or the subsidiaries to the directors as an inducement to join the Company or the subsidiaries, or as compensation for loss of office during the year ended December 31, 2025 (2024: Nil).

(b) Directors' retirement benefits and termination benefits

None of the directors received any other retirement benefits or termination benefits during the year ended December 31, 2025 (2024: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended December 31, 2025, no consideration was provided to or receivable by third parties for making available directors' services (2024: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities with such directors

There were no loans, quasi-loan and other dealing arrangements in favor of directors, controlled bodies corporate and connected entities with such directors as at December 31, 2025 (2024: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 31(a), there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended December 31, 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

11 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid employees during the year include 2 (2024: 3) directors, details of whose remuneration are set out in Note 10 above. Details of the remuneration of the 3 (2024: 2) non-director, highest paid employees for the year are as follows:

	2025 US\$'000	2024 US\$'000
Salaries and other allowances and benefits in kind	533	423
Pension scheme contribution	3	2
	536	425

The number of the non-directors highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
US\$64,103 to US\$128,205 (equivalent HK\$500,000 to HK\$1,000,000)	1	—
US\$128,205 to US\$192,308 (equivalent HK\$1,000,001 to HK\$1,500,000)	1	1
US\$192,308 to US\$256,410 (equivalent HK\$1,500,001 to HK\$2,000,000)	1	1

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the year ended December 31, 2025 (2024: Nil).

12 INCOME TAX CREDIT

No provision for Hong Kong, the CNMI, Guam and Hawaii profits tax has been made for the year ended December 31, 2025 as the Group did not generate any assessable profits arising in Hong Kong, the CNMI, Guam and Hawaii during the year (2024: Nil).

	2025 US\$'000	2024 US\$'000
Current:		
Over-provision in prior years	—	5

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

12 INCOME TAX CREDIT *(Continued)*

The Group's subsidiaries incorporated in the CNMI, Guam and Hawaii were subject to income tax rate of 21%. A reconciliation of the tax credit applicable to loss before tax at the statutory tax rates to the tax expense at the Group's effective tax rate is as follows:

	2025 US\$'000	2024 US\$'000
Loss before tax	(16,840)	(19,081)
Tax credit at the statutory tax rates	(3,477)	(3,934)
Income not subject to tax	(3,399)	(3,596)
Expenses not deductible for tax	6,876	7,530
Over-provision in prior years	—	(5)
Tax credit at the Group's effective tax rates	—	(5)

13 DIVIDEND

The board of directors does not recommend the payment of any dividend for the year ended December 31, 2025 (2024: Nil).

14 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company of US\$16,579,000 (2024: US\$18,955,000), and the weighted average number of ordinary shares of 360,000,000 (2024: 360,000,000) in issue during the year.

No adjustment has been made to the basic loss per share amount presented for each of the years ended December 31, 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during each of the years ended December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets (Note (c)) US\$'000	Buildings US\$'000	Renovation and leasehold improvements US\$'000	Plant and machinery US\$'000	Furniture, fixtures and equipment US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
December 31, 2025								
At January 1, 2025:								
Cost	24,686	48,672	79,048	21,843	22,038	961	2,842	200,090
Accumulated depreciation and impairment	(10,235)	(32,077)	(15,708)	(9,668)	(10,834)	(940)	(2,842)	(82,304)
Net carrying amount	14,451	16,595	63,340	12,175	11,204	21	–	117,786
Net carrying amount:								
At January 1, 2025	14,451	16,595	63,340	12,175	11,204	21	–	117,786
Additions	21	160	245	551	369	–	–	1,346
Transfer to investment properties	–	(3)	(6)	–	–	–	–	(9)
Write-off (Note (b))	–	(1,186)	(2)	–	–	–	–	(1,188)
Depreciation provided during the year	(762)	(735)	(3,736)	(1,328)	(3,906)	(12)	–	(10,479)
At December 31, 2025	13,710	14,831	59,841	11,398	7,667	9	–	107,456
At December 31, 2025:								
Cost	21,812	42,354	76,489	19,272	20,883	913	–	181,723
Accumulated depreciation and impairment	(8,102)	(27,523)	(16,648)	(7,874)	(13,216)	(904)	–	(74,267)
Net carrying amount	13,710	14,831	59,841	11,398	7,667	9	–	107,456

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Right-of-use assets (Note (c)) US\$'000	Buildings US\$'000	Renovation and leasehold improvements US\$'000	Plant and machinery US\$'000	Furniture, fixtures and equipment US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
December 31, 2024								
At January 1, 2024:								
Cost	24,743	48,680	77,310	21,145	21,661	961	3,057	197,557
Accumulated depreciation and impairment	(9,030)	(31,120)	(12,055)	(7,406)	(6,981)	(923)	–	(67,515)
Net carrying amount	15,713	17,560	65,255	13,739	14,680	38	3,057	130,042
Net carrying amount:								
At January 1, 2024	15,713	17,560	65,255	13,739	14,680	38	3,057	130,042
Additions	–	–	1,679	670	377	–	–	2,726
Lease modification	(57)	–	–	–	–	–	–	(57)
Transfer from construction in progress	–	–	78	28	–	–	(106)	–
Transfer to investment properties	–	–	(19)	–	–	–	–	(19)
Reclassification	–	(3)	–	–	–	–	(105)	(108)
Write-off (Note (b))	–	–	–	–	–	–	(4)	(4)
Depreciation provided during the year	(1,084)	(962)	(3,653)	(1,551)	(3,847)	(17)	–	(11,114)
Impairment (Note (b))	(121)	–	–	(711)	(6)	–	(2,842)	(3,680)
At December 31, 2024	14,451	16,595	63,340	12,175	11,204	21	–	117,786
At December 31, 2024:								
Cost	24,686	48,672	79,048	21,843	22,038	961	2,842	200,090
Accumulated depreciation and impairment	(10,235)	(32,077)	(15,708)	(9,668)	(10,834)	(940)	(2,842)	(82,304)
Net carrying amount	14,451	16,595	63,340	12,175	11,204	21	–	117,786

Notes:

- (a) As at December 31, 2025, certain hotel assets of the Group of US\$91,435,000 (2024: US\$99,621,000) have been pledged as security for the banking facilities as disclosed in note 26.
- (b) As at December 31, 2025, the Group had property, plant and equipment of hotels and retail store assets of approximately US\$105,646,000 (2024: US\$115,395,000) and approximately US\$1,380,000 (2024: US\$2,097,000), respectively that were subject to impairment tests in the event that trading performance is below expectation, store is loss making or existence of other observable indications of declined in value of the property, plant and equipment. The Group considered each individual hotel and retail store as a separately identifiable cash-generating unit (“CGU”) and performed impairment assessments on each of the CGU with impairment indicators by considering the recoverable amount of such assets at hotel and retail store level.

The carrying amounts of the hotels and retail store assets are written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections prepared by management covering the remaining tenure of the lease, with major assumptions such as percentage change in revenue, gross profit margin and operating costs. During the year ended December 31, 2024, the Group was in the process of negotiating the renewal of the land lease with the CNMI Government. However, considering the fact that the recovery of the tourism market in Saipan remains sluggish, the management of the Group has made a provision for the potential impairment in the carrying amount of Kanoa Resort. Therefore, an impairment loss of property, plant and equipment (including right-of-use assets) of approximately US\$3,680,000 was recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2024. On March 27, 2025, after careful consideration as regards the pace of recovery of the leisure tourism market of Saipan and the substantial amount of capital expenditure required for the renovation and rebranding of Kanoa Resort, the Group has decided not to renew the land lease of Kanoa Resort upon its expiry on June 15, 2025. Accordingly, Kanoa Resort was permanently closed and the property was returned to the Department of Public Lands on the lease expiry date. All property, plant and equipment in relation to Kanoa Resort was fully written off during the year ended December 31, 2025.

For the year ended December 31, 2025, property, plant and equipment of US\$1,188,000 (2024: US\$4,000) from hotels and resorts segment as well as the luxury travel retail segment (2024: hotels and resorts segment) were written off as they were deemed to have no economic value.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

(c) Leases

The Group leases various land, retail stores, offices and warehouses. Rental contracts are typically made for periods of 2 to 60 years, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

- (i) The following right-of-use assets are included in “Property, plant and equipment” in the consolidated statement of financial position.

	2025 US\$'000	2024 US\$'000
Right-of-use assets		
Leasehold land*	12,706	13,116
Buildings	994	1,335
Motor vehicle	10	—
	13,710	14,451

* The Group has land lease arrangement with the CNMI and Guam government.

- (ii) The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 US\$'000	2024 US\$'000
Carrying amount at January 1	16,536	17,436
Addition	21	—
Accretion of interest recognized during the year	751	809
Lease modification	—	(60)
Payments	(1,463)	(1,649)
Carrying amount at December 31	15,845	16,536
Analyzed into:		
Current portion	569	666
Non-current portion	15,276	15,870
	15,845	16,536

The maturity analysis of lease liabilities is as follows:

	2025 US\$'000	2024 US\$'000
Within 1 year	569	666
After 1 year but within 2 years	645	605
After 2 years but within 5 years	1,144	1,605
After 5 years	13,487	13,660
	15,845	16,536

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

(c) Leases (Continued)

(iii) The amounts recognized in profit or loss in relation to leases are as follows:

	2025 US\$'000	2024 US\$'000
Depreciation charge of right-of-use assets		
Leasehold land	410	701
Buildings	341	383
Motor vehicle	11	—
	762	1,084
Interest on lease liabilities (Note 8)	751	809
Expense relating to short-term leases (Note 9)	329	331
Expense relating to variable lease payments not included in lease liabilities (Note 9)	815	691
Gain on early termination of lease contract (Note 7)	—	(3)
Impairment of right-of-use assets	—	121
Total amount recognized in profit or loss	2,657	3,033

(iv) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. There were no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease terms. All extension options included in the lease contracts are expected to be exercised while all termination options are expected not to be exercised.

(v) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from hotels and retail stores. For individual stores, certain lease payments are on the basis of variable payment terms with percentages ranging from 5% to 20% of sales. Variable payment terms are used for a variety of reasons, including minimizing the fixed costs base for hotels and retail stores. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs. A 10% increase in sales across all hotels and retail stores in the Group with such variable lease contracts would increase total lease payments by approximately US\$82,000 (2024: US\$69,000).

(vi) The total cash outflow for leases is disclosed in note 29(c) to the financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

16 INVESTMENT PROPERTIES

	2025	2024
	US\$'000	US\$'000
At January 1:		
Cost	836	817
Accumulated depreciation	(480)	(464)
Net carrying amount	356	353
Net carrying amount:		
At January 1	356	353
Transfer from property, plant and equipment	9	19
Write-off	(19)	—
Depreciation provided during the year	(14)	(16)
At December 31	332	356
At December 31:		
Cost	812	836
Accumulated depreciation	(480)	(480)
Net carrying amount	332	356

Notes:

- (a) The investment properties are situated in Saipan and Guam. As at December 31, 2025, the fair values of the investment properties of the Group, as determined by the directors, were US\$1,217,000 (2024: US\$2,253,000). The fair values of investment properties are determined by using the income approach, which takes into account significant unobservable inputs (level 3) including average daily rate and capitalization rate.
- (b) As at December 31, 2025, all investment properties of the Group of US\$332,000 (2024: US\$356,000), have been pledged as security for the banking facilities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

17 INTANGIBLE ASSETS

	Computer software	
	2025	2024
	US\$'000	US\$'000
At January 1:		
Cost	844	830
Accumulated amortization	(806)	(784)
Net carrying amount	38	46
Net carrying amount:		
At January 1	38	46
Additions	3	14
Amortization provided during the year	(24)	(22)
At December 31	17	38
At December 31:		
Cost	639	844
Accumulated amortization	(622)	(806)
Net carrying amount	17	38

18 INVENTORIES

	2025	2024
	US\$'000	US\$'000
Merchandises	2,290	3,272
Food and beverages	234	229
Others	92	90
	2,616	3,591

During the year ended December 31, 2025, the Group made a provision for obsolete inventory of approximately US\$10,000 (2024: reversal of provision of US\$79,000), which was included in "Other expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

19 TRADE RECEIVABLES

	Note	2025 US\$'000	2024 US\$'000
Trade receivables	(a)	1,965	2,492
Impairment	(c)	(147)	(589)
		1,818	1,903

Notes:

- (a) The Group's sale to tour operators on a wholesale basis, traditional travel agents and several corporate customers are mainly on credit and the credit term is generally 30 days from the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by the management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.
- (b) The aging analysis of the trade receivables as at December 31, 2025 and 2024, based on invoice date and net of loss allowance, is as follows:

	2025 US\$'000	2024 US\$'000
Within 30 days	435	575
31 to 60 days	67	16
61 to 90 days	14	8
Over 90 days	1,302	1,304
	1,818	1,903

- (c) The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 US\$'000	2024 US\$'000
At beginning of the year	589	711
Reversal of impairment loss	—	(115)
Write-off	(442)	(7)
At end of the year	147	589

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses for trade receivables (except for the receivable from a government authority). To measure the expected credit losses, trade receivables (except for the receivable from a government authority) have been grouped based on shared credit risk characteristics and the days past due.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

19 TRADE RECEIVABLES (Continued)

Notes: (Continued)

(c) The movements in the loss allowance for impairment of trade receivables are as follows: (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables (other than the receivable from the government authority) using a provision matrix:

	Current	Within 30 days	Past due 31 to 60 days	61 to 90 days	Over 90 days	Total
At December 31, 2025						
Expected credit loss rate	8.8%	8.2%	30%	100%	100%	
Gross carrying amount (US\$'000)	477	73	20	12	60	642
Expected credit losses (US\$'000)	42	6	6	12	60	126
At December 31, 2024						
Expected credit loss rate	1.2%	13.9%	23.8%	42.9%	99.6%	
Gross carrying amount (US\$'000)	513	79	21	14	542	1,169
Expected credit losses (US\$'000)	6	11	5	6	540	568

As at December 31, 2025, the trade receivable from the governmental authority amounted to approximately US\$1,323,000 (2024: US\$1,323,000). The credit quality of a governmental authority has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. Impairment of approximately US\$21,000 (2024: US\$21,000) has been provided as at December 31, 2025.

20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
Deposits	763	846
Prepayments	909	2,538
Other receivables	1,174	539
	2,846	3,923
Portion classified as current assets	(2,087)	(2,501)
Non-current portion	759	1,422

The maximum exposure to credit risk at the reporting date is the carrying amounts of deposits and other receivables mentioned above. The Group does not hold collateral as security.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(Continued)*

As at December 31, 2025, all of these financial assets are considered to have low credit risk, and thus the impairment provision recognized during the year was limited to 12 months expected losses. Management considered these financial assets to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The Group has assessed that the 12 months expected credit losses for these receivables are not material, and thus, no loss allowance provision was recognized during the year.

The carrying amounts of prepayments, deposits and other receivables approximate their fair values and are denominated in the following currencies:

	2025 US\$'000	2024 US\$'000
US\$	2,806	3,885
HK\$	40	38
	2,846	3,923

21 CASH AND CASH EQUIVALENTS

	2025 US\$'000	2024 US\$'000
Cash at banks	3,499	3,125
Cash on hand	67	67
	3,566	3,192
Maximum exposure to credit risk	3,499	3,125

Cash and cash equivalents are denominated in in the following currencies:

	2025 US\$'000	2024 US\$'000
US\$	3,572	3,189
HK\$	(6)	3
	3,566	3,192

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

22 ISSUED SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares of HK\$0.01 each, issued and fully paid:

	Number of shares	Nominal value of ordinary shares US\$'000	Share premium US\$'000
At January 1 and December 31, 2024 and 2025	360,000,000	461	38,122

23 CAPITAL RESERVE AND OTHER RESERVE

(a) Capital reserve

Capital reserve of US\$27,006,000 represented the contribution from the immediate holding company with respect to the consideration for the acquisition of subsidiaries pursuant to a reorganization for the Listing.

Capital reserve of US\$1,848,000 represented the deemed contribution from the intermediate holding company with respect to the difference between the nominal interest rate and the market interest rate of the shareholder's loans, details of which are set out in note 27 below.

(b) Other reserve

Other reserve of US\$4,809,000 mainly represented the deemed contribution from Tan Holdings before the reorganization for the Listing.

24 SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

As at December 31, 2025, the Group's accumulated negative balances of non-controlling interests ("NCI") amounting to approximately US\$734,000 (2024: US\$473,000), are arising from Gemkell Corporation and Gemkell (Saipan) Corporation, which are the Group's 80% owned subsidiaries.

Summarized financial information of the subsidiaries with material non-controlling interest

Set out below is the summarized financial information of Gemkell Corporation and Gemkell (Saipan) Corporation, which have non-controlling interests that are material to the Group.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24 SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

Summarized financial information of the subsidiaries with material non-controlling interest (Continued)

(a) Gemkell Corporation

Summarized statement of financial position of Gemkell Corporation:

	2025 US\$'000	2024 US\$'000
Current		
Assets	8,386	4,874
Liabilities	(7,768)	(4,670)
Net current assets	618	204
Non-current		
Assets	2,085	3,381
Liabilities	(1,997)	(2,256)
Net non-current assets	88	1,125
Net assets	706	1,329
Accumulated NCI	141	265

Summarized statement of profit or loss and other comprehensive income of Gemkell Corporation:

	2025 US\$'000	2024 US\$'000
Revenue	6,358	5,980
Loss for the year and total comprehensive loss for the year	(623)	(413)
Total comprehensive loss for the year attributable to NCI	(124)	(82)

Summarized statement of cash flows of Gemkell Corporation:

	2025 US\$'000	2024 US\$'000
Net cash flows from/(used in) operating activities	23	(179)
Net cash flows from/(used in) investing activities	43	(587)
Net cash flows (used in)/from financing activities	(290)	217
Net decrease in cash and cash equivalents	(224)	(549)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24 SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

Summarized financial information of the subsidiaries with material non-controlling interest (Continued)

(b) Gemkell (Saipan) Corporation

Summarized statement of financial position of Gemkell (Saipan) Corporation:

	2025 US\$'000	2024 US\$'000
Current		
Assets	580	1,275
Liabilities	(4,952)	(4,966)
Net current liabilities	(4,372)	(3,691)
Non-current		
Assets	—	2
Liabilities	—	—
Net non-current assets	—	2
Net liabilities	(4,372)	(3,689)
Accumulated NCI	(875)	(738)

Summarized statement of profit or loss and other comprehensive income of Gemkell (Saipan) Corporation:

	2025 US\$'000	2024 US\$'000
Revenue	1,235	1,434
Loss for the year and total comprehensive loss for the year	(683)	(193)
Total comprehensive loss for the year attributable to NCI	(137)	(39)

Summarized statement of cash flows of Gemkell (Saipan) Corporation:

	2025 US\$'000	2024 US\$'000
Net cash flows from/(used in) operating activities	188	(181)
Net cash flows from investing activities	16	—
Net increase/(decrease) in cash and cash equivalents	204	(181)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

25 TRADE AND OTHER PAYABLES

	2025	2024
	US\$'000	US\$'000
Trade payables		
– to third parties (Note (a))	2,719	3,291
– to related parties (Note (b))	864	917
Total trade payables	3,583	4,208
Accruals and other payables		
– Accrued staff salaries	582	504
– Other taxes payable	501	503
– Other accruals and payables	5,980	6,642
	7,063	7,649
	10,646	11,857

(a) Trade payables to third parties

The aging analysis of the trade payables to third parties based on invoice date is as follows:

	2025	2024
	US\$'000	US\$'000
Within 30 days	1,628	1,607
31 to 60 days	235	516
61 to 90 days	155	150
Over 90 days	701	1,018
	2,719	3,291

(b) Trade payables to related parties

As at December 31, 2025 and 2024, the trade payables to related parties are unsecured, interest-free and with credit term of 30 days.

The aging analysis of trade payables due to related parties based on invoice date is as follows:

	2025	2024
	US\$'000	US\$'000
Within 30 days	71	123
31 to 60 days	38	118
61 to 90 days	32	59
Over 90 days	723	617
	864	917

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

25 TRADE AND OTHER PAYABLES (Continued)

- (c) The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2025 US\$'000	2024 US\$'000
US\$	10,476	11,670
HK\$	170	187
	10,646	11,857

26 BANK BORROWINGS

Current

	2025 US\$'000	2024 US\$'000
Short-term bank borrowing, unsecured	5,000	5,000
Term loans, secured		
— due for repayment within 1 year which contain a repayment on demand clause	15,833	4,300
— due for repayment after 1 year which contain a repayment on demand clause	19,367	35,200
Total bank borrowings	40,200	44,500

Bank borrowings due for repayment after 1 year which contain a repayment on demand clause is classified as a current liability.

The expected repayment dates of the Group's bank borrowings that are repayable on demand, with reference to schedules of repayments set out in the term loan agreements, are as follows:

	2025 US\$'000	2024 US\$'000
Within 1 year	15,833	4,300
After 1 year but within 2 years	19,367	15,833
After 2 years but within 5 years	—	19,367
	35,200	39,500

The effective interest rate of the bank borrowings was 6.95% per annum for the year ended December 31, 2025 (2024: 7.88%).

The carrying amount of the Group's bank borrowings approximate their fair value and are denominated in US\$.

As at December 31, 2025, the Group had aggregate banking facilities of US\$48,000,000 (2024: US\$48,000,000). There were no unutilized facilities as at December 31, 2025 (2024: Nil). The Group's banking facility is secured and guaranteed by:

- (i) certain property, plant and equipment and investment properties owned by the Group with carrying amounts of US\$91,435,000 (2024: US\$99,621,000) and US\$332,000 (2024: US\$356,000), respectively as at December 31, 2025 (Notes 15 and 16); and
- (ii) corporate guarantee provided by the Company and its subsidiaries.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

27 OTHER BORROWINGS

	2025 US\$'000	2024 US\$'000
Non-current		
Shareholder's loan	41,483	31,442
Director's loan	1,000	800
	42,483	32,242
Current		
Shareholder's loan-imputed interests	749	245
Accrued interests	504	440
	1,253	685
	43,736	32,927

The expected repayment dates of the Group's other borrowings are as follows:

	2025 US\$'000	2024 US\$'000
Within 1 year	1,253	685
After 1 year but within 2 years	291	268
After 2 years but within 5 years	38,192	11,035
Over 5 years	4,000	20,939
	43,736	32,927

Since 2022, the Group entered into seven loan agreements with Tan Holdings, a controlling shareholder of the Company, for a total of seven unsecured, interest-bearing loan facilities for the purpose of financing the general working capital of the Group, as detailed below:

	Date of Loan Agreement	Amount of Loan Facility	Interest Rate	Maturity Date
1.	August 30, 2022	US\$5,000,000	2% per annum	August 29, 2030*
2.	December 16, 2022	US\$8,000,000	2% per annum	December 15, 2029*
3.	February 28, 2023	US\$8,000,000	2% per annum	February 27, 2030*
4.	August 1, 2023	US\$7,000,000	5% per annum	July 31, 2030*
5.	February 29, 2024	US\$4,000,000	5% per annum	February 28, 2031*
6.	November 26, 2024	US\$11,000,000	5% per annum	November 25, 2029
7.	November 25, 2025	US\$9,700,000	5% per annum	November 24, 2030

* On December 2, 2024, the Group obtained an extension of 5 years on the loan repayment dates of each of the loan agreements with Tan Holdings.

On December 31, 2025, the Group obtained a waiver from Tan Holdings for loan interest totaling US\$1,373,000 (2024: US\$961,000) for the financial year concluded on that date.

The interest rates charged on Loans 1 to 3 are below the prevailing market interest rates. An aggregated imputed interest of approximately US\$1,848,000 for these loans was calculated based on the difference between the prevailing market interest rates and the nominal interest rates. This amount has been recognized in the capital reserve as a deemed contribution from a shareholder for the year ended December 31, 2024. Imputed interest has been deducted from the principal and recognized as capital reserve at initial recognition and subsequently amortized as imputed interest expenses in "Finance costs". During the Year, imputed interests of US\$245,000 (2024: US\$235,000) have been amortized and recorded in "Finance costs" in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

27 OTHER BORROWINGS *(Continued)*

As at December 31, 2025, an amount of US\$43,600,000 (2024: US\$33,000,000) shareholder's loan had been drawn down by the Company. The entire amount was classified as a non-current liability.

On November 22, 2024 and March 27, 2025, a subsidiary entered into loan agreements with Mr. Chiu George, a Director of the Company, for a loan facility of US\$800,000 and US\$200,000, respectively. The loans are unsecured, interest-bearing at 6.0% per annum, and are repayable in 5 years from the date of the loan agreements.

28 DEFERRED TAX ASSETS

The components of deferred tax assets and their movements during the year are as follows:

	Attributable to			Total US\$'000
	Impairment of trade receivables US\$'000	Depreciation allowances in excess of related depreciation US\$'000	Tax losses and others US\$'000	
At January 1 and December 31, 2024 and 2025	81	653	8,343	9,077

The movements of deferred tax liabilities are as follows:

	Accelerated tax depreciation US\$'000
At January 1 and December 31, 2024 and 2025	(2,494)

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. As at December 31, 2025, the Group had unrecognized deferred tax assets of US\$2,218,000 (2024: US\$3,024,000) in respect of losses that can be carried forward against future taxable income.

Pursuant to income tax laws of the CNMI, Guam and Hawaii, withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in these jurisdictions. The Group is therefore liable to withholding taxes on dividends declared by the subsidiaries established in these jurisdictions.

At 31 December 2025, no deferred tax has been recognized for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in these jurisdictions. In the opinion of the directors, the Group's fund will be retained in these jurisdictions for the reinvestment of the Group's operation and therefore it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in these jurisdictions for which deferred tax liabilities have not been recognized totaled approximately US\$10,751,000 (2024: US\$9,160,000) as at December 31, 2025.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended December 31, 2025, the Group obtained a waiver from Tan Holdings for loan interest totaling US\$1,373,000 (2024: US\$961,000) for the financial year concluded on that date.

During the year ended December 31, 2024, the Company recognized a deemed contribution of approximately US\$1,848,000, which represents the imputed interest arose from the difference between the prevailing market interest rates and the nominal interest rates. This amount has been recognized in the capital reserve as a deemed contribution from a shareholder. Imputed interest has been deducted from the principal and recognized as capital reserve at initial recognition and subsequently amortized over the terms of the shareholder's loans. During the year ended December 31, 2025 and 2024, this amount has been amortized and recorded in the "Finance costs" in the consolidated statement of profit or loss and other comprehensive income.

(b) The movements of liabilities from financing activities for the year ended December 31, 2025:

	Lease liabilities US\$'000	Bank borrowings US\$'000	Other borrowings US\$'000	Total US\$'000
At December 31, 2023 and January 1, 2024	17,436	47,633	26,436	91,505
Accrued interest	809	3,583	239	4,631
Change from financing cash flows	(1,649)	(6,716)	8,100	(265)
Deemed capital contribution from shareholder	—	—	(1,848)	(1,848)
Lease modification	(60)	—	—	(60)
At December 31, 2024 and January 1, 2025	16,536	44,500	32,927	93,963
New leases	21	—	—	21
Accrued interest	751	2,870	309	3,930
Change from financing cash flows	(1,463)	(7,170)	10,500	1,867
At December 31, 2025	15,845	40,200	43,736	99,781

(c) The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 US\$'000	2024 US\$'000
Within operating activities	1,144	1,022
Within financing activities	1,463	1,649
	2,607	2,671

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

30 COMMITMENTS

(a) Operating leases rental receivables – the Group as lessor

At December 31, 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 US\$'000	2024 US\$'000
Within 1 year	54	39
After 1 year but within 2 years	30	18
After 2 years but within 5 years	–	9
	84	66

(b) Capital commitments

Significant capital expenditure contracted for at the end of each year but not recognized as liabilities is as follows:

	2025 US\$'000	2024 US\$'000
Property, plant and equipment	–	600

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

31 RELATED PARTY DISCLOSURES

(a) The Group had the following material transactions with related parties during the year:

Company name	Nature of transactions	2025 US\$'000	2024 US\$'000
<i>Companies controlled by the Controlling Shareholder:</i>			
CTSI Holdings Limited and its subsidiaries*	Freight forwarding and logistics expenses	223	324
Luen Thai International Development Limited*	Rental expenses and expenses charged	—	64
LSS Holdings Limited	Purchase of merchandises	194	—
<i>Company controlled by close family of the Controlling Shareholder:</i>			
Quanzhou Century Tour Investment Co., Ltd and its subsidiaries*	Hotel service income	1,157	2,218
<i>Fellow subsidiaries:</i>			
Cosmos Distributing Co. Ltd.*	Purchase of merchandises	76	78
D&Q Co. Ltd.*	Purchase of merchandises	55	71
L&T Group of Companies Ltd.	Shared-services expenses	176	239
	Staff costs charges	—	119
	Hotel service income	73	108
Beach Road Tourism Development, Inc.*	Rental expenses and expenses charged	229	232
L&T Group of Companies Ltd.*	Rental expenses and expenses charged	56	41
TakeCare Insurance Company Inc.*	Insurance expenses	940	997

* These transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

31 RELATED PARTY DISCLOSURES *(Continued)*

(a) The Group had the following material transactions with related parties during the year: *(Continued)*

The pricing of these transactions was determined based on mutual negotiation and agreement between the Group and related parties.

Outstanding balances and other transactions with related parties:

- (i) Details of the trade payables balances with related parties at the end of the year are disclosed in note 25(b) to the financial statements.
- (ii) Details of the amounts due from/to related parties at the end of the year are as follows:

	2025	2024
	US\$'000	US\$'000
Due from fellow subsidiaries	41	12
Due from companies controlled by the Controlling Shareholder	12	19
Due from companies controlled by close family of the Controlling Shareholder	199	150
Total amounts due from related parties	252	181
Due to fellow subsidiaries	400	184
Due to companies controlled by the Controlling Shareholder	33	95
Total amounts due to related parties	433	279

As at December 31, 2025 and 2024, the balances with related parties were unsecured, interest-free and repayable on demand.

- (iii) Details of director's loan and shareholder's loans at the end of the year are disclosed in note 27 to the financial statements.

(b) Key management compensation

Key management includes directors and senior management of the Group. The compensation paid or payable to key management for employees' services is shown below:

	2025	2024
	US\$'000	US\$'000
Salaries, bonuses and other allowances and other benefits	668	1,289
Pension scheme contribution (defined contribution scheme)	5	3
Total	673	1,292

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and liabilities of the Group as at December 31, 2025 and 2024 are classified as financial assets and liabilities at amortized cost, respectively.

33 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and
- the fair values of other financial assets and financial liabilities included in the Level 2 and Level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The directors of the Company consider that the fair values of financial assets and financial liabilities which are due to be received or settled within one year approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of financial assets and financial liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values of the non-current portion of financial assets and financial liabilities are approximate to their carrying amounts. The changes in fair value as a result of the Group's own non-performance risk as at December 31, 2025 were assessed to be insignificant.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk

The Group's exposure to interest rate risks relates primarily to the Group's banks deposits and borrowings with floating interest rates. The interest rates and terms of repayment of the Group's interest-bearing bank borrowings are disclosed in note 26 to the financial statements. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rate.

As at December 31, 2025, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax loss for the year would have been approximately US\$184,000 higher/lower (2024: US\$207,000 higher/lower).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group mainly operate in Saipan, Guam, Hawaii and Hong Kong with most of the transactions settled in US\$ and Hong Kong dollars (“HK\$”). Foreign exchange rate risk arises when recognized financial assets and liabilities are denominated in a currency that is not the entity’s functional currency. As HK\$ is pegged to US\$, the directors considered the foreign exchange risk on HK\$ to the Group is minimal.

As at December 31, 2025 and 2024, the financial assets and liabilities of the subsidiaries of the Group in Saipan, Guam and Hawaii are primarily denominated in US\$. Therefore, management considers the foreign exchange risk is insignificant to the Group.

Credit risk

The table below shows the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at December 31. The amounts presented are gross carrying amounts of financial assets.

With respect to credit risk arising from financial assets of the Group, which mainly comprise cash and cash equivalents, trade receivables, deposits and other receivables, and amounts due from related parties, the Group’s exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

	12-month ECLs	Lifetime ECLs Simplified approach	Total
	Stage 1	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000
At December 31, 2025			
Trade receivables*	—	1,965	1,965
Financial assets included in deposits and other receivables — performing**	1,937	—	1,937
Amount due from related parties — performing **	252	—	252
Cash and cash equivalents — not yet past due	3,566	—	3,566
At December 31, 2024			
Trade receivables*	—	2,492	2,492
Financial assets included in deposits and other receivables — performing**	1,385	—	1,385
Amount due from related parties — performing **	181	—	181
Cash and cash equivalents — not yet past due	3,192	—	3,192

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19(c) to the financial statements.

** The credit quality of the financial assets included in deposits and other receivables and amounts due from related parties is considered to be “performing” when debtors have a low risk of default and a strong capacity to meet contractual cash flows. The basis of recognition of expected credit loss provision is 12-month ECLs. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of available credit facilities. The Group aims to maintain flexibility in funding by keeping credit lines available.

Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants (where applicable) on its banking facilities. Surplus cash held by Group entities over and above balances required for working capital management is invested in interest-bearing bank accounts and bank deposits with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

	Less than 1 year or on demand US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
At December 31, 2025					
Trade and other payables	9,563	—	—	—	9,563
Bank borrowing and interest payments	5,262	—	—	—	5,262
Term loans subject to a repayment on demand clause	35,200	—	—	—	35,200
Other borrowings and interest payments	2,609	2,104	45,676	4,032	54,421
Lease liabilities and interest payments	1,309	1,370	3,184	27,753	33,616
Amounts due to related parties	433	—	—	—	433
	54,376	3,474	48,860	31,785	138,495
At December 31, 2024					
Trade and other payables	10,850	—	—	—	10,850
Bank borrowing and interest payments	5,293	—	—	—	5,293
Term loans subject to a repayment on demand clause	39,500	—	—	—	39,500
Other borrowings and interest payments	1,598	1,158	13,552	24,527	40,835
Lease liabilities and interest payments	1,435	1,350	3,713	28,593	35,091
Amounts due to related parties	279	—	—	—	279
	58,955	2,508	17,265	53,120	131,848

Term loans with a repayment on demand clause are included in the "Less than 1 year or on demand" time band in the above maturity analysis. At December 31, 2025, the aggregate carrying amount of the term loans classified as repayable on demand was US\$35,200,000 (2024: US\$39,500,000). Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank loan will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

For the purpose of managing liquidity risk, management reviews the expected cash flow information of the Group's bank borrowings. The maturity profile of the Group's bank borrowings with a repayment on demand clause as at the end of the year, based on the scheduled repayment dates and the contractual undiscounted payments, is as follows:

	Less than 1 year US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	Total US\$'000
At December 31, 2025				
Bank borrowings with a repayment on demand clause	17,759	19,901	—	37,660
At December 31, 2024				
Bank borrowings with a repayment on demand clause	6,886	17,949	19,954	44,789

In addition, Tan Holdings has undertaken not to demand repayment of the amounts due to them of US\$43,600,000 (2024: US\$33,300,000) until such time when the Group is in a position to repay without impairing its liquidity and financial position.

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt includes "Bank borrowings" as shown in the consolidated statement of financial position. Total capital includes "Equity" as shown in the consolidated statement of financial position.

The gearing ratios as at December 31, 2025 and 2024 are as follows:

	2025 US\$'000	2024 US\$'000
Total debt:		
Bank borrowings (Note 26)	40,200	44,500
Total capital	17,138	33,978
Gearing ratio	234.6%	131.0%

35 EVENT AFTER THE REPORTING PERIOD

On March 30, 2026, the Group has entered into a deed of amendment of the payment clause with Tan Holdings for two out of seven tranches of shareholder loans, with an aggregated principal of US\$15,000,000. Under the amended terms, the contractual repayment date of the relevant loan principal and the related interest was changed from 2029 and 2030, respectively to no fixed maturity, and repayment of both principal and interest shall be made only when determined by the Company. As a result of this amendment, the Company will reclassify US\$15,000,000 of the utilized shareholder loans as perpetual loans in 2026 in accordance with the amended repayment terms.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(a) Information about the statement of financial position of the Company as at the end of the year is as follows:

	2025 US\$'000	2024 US\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	1	—
Investments in subsidiaries	51,550	51,550
Deposit	14	14
Total non-current assets	51,565	51,564
Current assets		
Prepayments	39	81
Amounts due from related parties	—	11
Amounts due from subsidiaries	157,529	123,031
Cash and cash equivalents	28	183
Total current assets	157,596	123,306
Total assets	209,161	174,870
EQUITY		
Equity attributable to owners of the Company		
Issued share capital	461	461
Share premium	38,122	38,122
Capital reserve	56,073	56,073
Accumulated losses	(8,666)	(7,359)
Total equity	85,990	87,297
LIABILITIES		
Non-current liabilities		
Other borrowings	41,484	31,442
Current liabilities		
Accruals and other payables	1,027	1,184
Other borrowings	1,184	681
Amounts due to subsidiaries	79,476	54,260
Amounts due to related parties	—	6
Total current liabilities	81,687	56,131
Total liabilities	123,171	87,573
Total equity and liabilities	209,161	174,870

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

(b) A summary of the Company's reserves is as follow:

	Share premium US\$'000	Capital reserve (Note) US\$'000	Accumulated losses US\$'000	Total US\$'000
At January 1, 2024	38,122	54,225	(5,737)	86,610
Loss for the year and total comprehensive loss for the year	—	—	(1,622)	(1,622)
Deemed capital contribution	—	1,848	—	1,848
At December 31, 2024 and January 1, 2025	38,122	56,073	(7,359)	86,836
Loss for the year and total comprehensive loss for the year	—	—	(1,307)	(1,307)
At December 31, 2025	38,122	56,073	(8,666)	85,529

Note: Capital reserve of the Company represented (i) the difference between the net assets value of the subsidiaries acquired and the consideration settled by issuance of the shares of the immediate holding company pursuant to a reorganization for the Listing and (ii) the deemed contribution from the intermediate holding company with respect to the difference between the nominal interest rate and the prevailing market interest rate of the shareholder's loan.

37 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on March 30, 2026.

Five Year Financial Summary

	2021	2022	2023	2024	2025
Financial highlights (US\$'000)					
Total assets	136,828	158,508	157,323	140,114	128,035
Total liabilities	51,157	84,331	106,117	106,136	110,897
Bank borrowings	17,000	48,000	47,633	44,500	40,200
Equity attributable to the owners of the Company	85,944	74,519	51,558	34,451	17,872
Working Capital	(5,290)	(46,553)	(49,930)	(44,095)	(40,250)
Revenue	19,801	15,751	36,847	42,795	45,114
Loss attributable to the owners of the Company	(5,952)	(11,425)	(22,961)	(18,955)	(16,579)
Key Ratios					
Current ratio (times)	0.84	0.28	0.28	0.24	0.24
Profit margin attributable to the owners of the Company	-30.1%	-72.5%	-62.3%	-44.3%	-36.7%

Note: The financial summary of the Group is for information only and does not form part of the audited consolidated financial statements.